Tobacco Plantations and Their Impact on Peasant Society and Economy in Surakarta Residency: 1860-1980s

By
Soegijanto Padmo

A thesis submitted for the degree of Doctor of Philosophy at the Australian National University

April 1988
Declaration

Except where otherwise indicated
this thesis is my own work.

Soegijanto Padmo

April 1988
To my wife and children Sri Sukeksi, Ratnawati and Shri Wisnuaji Pramudhito

(Dody)
Acknowledgements

In the course of the three years and ten months I spent working on this project, I have received very generous help and encouragement from many people and without them it would have been impossible to complete this thesis. Professor J.A.C. Mackie, the Chairman of the Department of Political and Social Change in the Research School of Pacific Studies at the Australian National University, supervised my research work and gave valuable criticism and comments at various stages throughout the writing of this thesis. He initially suggested that I work on Indonesian agrarian history and has broadened my understanding of the subject throughout the course of my candidature. It has been a privilege for me to work with him, and I am grateful for his guidance and help which has gone far beyond the teacher and student relationship. A debt is also owed to Dr William J. O’Malley and Dr Ken Young, both members of my advisory committee, who provided valuable suggestions to clarify my views and arrive at a coherent interpretation in this thesis. Professor Merle Ricklefs, Chairman of the Centre of Southeast Asian Studies at Monash University, and Dr Susan Abeyesakere made valuable suggestions on various aspects of my work when I was conducting library research at Monash University in the Summer of 1984. Dr Anthony Reid, Department of South Pacific and Southeast Asian History at ANU, provided useful information on the tobacco industry in Indonesia. Professor J.D. Legge, Dr C.M. Penders, and Dr R.E. Elson, during their stay as Fellows at ANU, all gave valuable advice and assistance.

I would like to express my gratitude to a number of Indonesian scholars who have helped me in many ways. Professor Sartono Kartodirdjo, a former Director of the Centre of Rural and Regional Studies at Gadjah Mada University, encouraged me to pursue doctoral studies at ANU. Dr Taufik Abdullah’s suggestions facilitated my field work both in Indonesia and Holland. Professor Dr T. Ibrahim Alfian, M.A., Dr Djoko Suryo, Dr Kun-
towijoyo, Dr Loekman Soetrisno and other colleagues of the Department of History in the Faculty of Letters at Gadjah Mada University, helped give focus to my study through several formal and informal discussions. Dr Sujatno Kartodirdjo, the Dean of the Faculty of Letters at Sebelas Maret University, gave valuable suggestions and assisted my field work in Surakarta.

My acknowledgements would not be complete without expressing my indebtedness to the staff and students of the Department of Political and Social Change in the Research School of Pacific Studies at ANU. Dr R.J. May took care of administrative matters during Professor Mackie's absence from September 1987 until January 1988. Dr Harold Crouch read and commented on various drafts of the thesis. Linda Allen arranged for the reproduction of maps and Alexandra Bellis created the graphs contained in the thesis. To John Maxwell, who provided valuable comments on drafts of the thesis especially during Professor Mackie's absence, I would like to express my special thanks. Claire Smith and Marlene Arney, the Department's secretaries, helped me overcome various administrative problems. Dr Radin Fernando, the Research Officer of the Department, helped me see familiar material from new and different angles. Amir Santoso, Andrew McIntyre, Suchai Treerat, Viberto Selochan, Peter Searle, Jane Lee, Imron Husin and Ropate Qalo, all fellow research students in this Department, created a healthy academic atmosphere through discussions and regular meetings and helped me in a great many of ways.

I was also made welcome in various Australian libraries to locate published material relevant to this study. In Canberra, the staff of the ANU Libraries, especially Mr George Miller, and at the Australian National Library, especially Mrs Else Soegito, were always helpful. The staff of Monash University Library, in particular the staff of the Southeast Asia collection, also assisted me locate sources.

My research in Indonesia was assisted by the National Archives (Arsip Nasional Republik Indonesia), the Library of the National Museum, the Gadjah Mada University
Libraries, the Library of the State Plantation Enterprise XIX (PNP XIX) Research Station in Klaten, the Library of the Sono Budoyo Museum, the Yogyakarta State Library and the Library of the Institute of Plantation Education (Lembaga Pendidikan Perkebunan) of Yogyakarta. Ms Soemartini, Mr Machfudi Mangkudilaga, Ms Mona Lohanda, and Mr Sauki Hadiwardoyo, of the Cilandak Office of the National Archives Ms Dien Ng and her staff of the Bogor Depot, Ms Darmiati and her staff of the Gajah Mada Depot, all kindly helped me to consult a large amount of material in a very short period of time. Ms Warsini of the Library, of the Faculty of Agriculture at Gadjah Mada University, and Drs Purwono, of the Gadjah Mada University Library, helped me to locate additional material. Ir Wahyono, the Director of the PNP XIX Research Station in Klaten and his staff, especially Dr Suwarjiman and Ir Narkanto, were especially helpful during my research in Surakarta. W.J. Remmelink and Drs Sundoro taught me Dutch, and Monnike and Val helped me to translate the Dutch tobacco company contract documents which appear in the Appendices.

I would like to acknowledge a special debt to dozens of informants in the Surakarta region. These include PPN XIX personnel both in Solo and in various kebun in Klaten and Yogyakarta, retired tobacco company managers, retired mandur, Lembaga Tembakau officials, a number of camat, officials of the Department of Lands, members of village councils and ordinary villagers. The valuable knowledge and experiences which they shared remain the basis of much of the present work.

My research in Holland was sponsored by Dr Heather Sutherland. Mr M.G.H.A. de Graaf, of the Algemeen Rijksarchieves at the Hague, and Mr F.G.P. Jaquet, of the Koninklijke Instituut voor Taal-, Land- en Volkenkunde in Leiden, cheerfully and generously gave me access to the archives under their care. In Amsterdam, Peter Boomgaard helped me to explore materials in the Tropen Museum. Mr Thee Siauw Giap always made himself available whenever his advice was needed during my stay in Holland while my colleagues Agus Suprijanto and Lianta of the international dormitory at 32 Waarmonderweg, Leiden were also helpful.
My graduate study in Australia was facilitated by a generous scholarship awarded to me by the Australian National University. It was part of a program of cooperation between the Department of Political and Social Change at ANU and the Centre of Rural and Regional Studies at Gadjah Mada University, Yogyakarta. ANU provided me with a travel grant to visit the Netherlands and Indonesia, and a travel grant also my family to come from Indonesia to Australia. I am most grateful to ANU for its kind financial support.

My thanks also go to Professor Dr T. Jacob, the Rector of Gadjah Mada University, for his official permission to study at ANU. My thanks likewise go to the staff of the Faculty of Letters at Gadjah Mada University and its Department of History, for seeing the value in such a study as I proposed and giving me the privilege of a long leave of absence.

My debt to my family members in Indonesia is no less great. My parents and my parents-in-law have been extremely patient of my long absence from the family, especially during a period when my father was hospitalized. My brother, Lieutenant-Colonel Wakidi. and my brothers-in-law and my niece, Igun Gunawan, never failed to comply with our requests. I hope that I can reward their faith in me with the successful completion of this thesis.

Finally, my beloved wife, Sri Sukeksi, and my children Ratnawati and Shri Wisnuaji Pramudhito, have sacrificed much on my account. Their preparedness to allow me to devote myself to my study above everything else and their understanding and loving care have made it possible for me to complete this thesis amidst so much difficulty and heartache.
Abstract

The cultivation of Vorstenlands cigar tobacco in Surakarta, which first developed around 1860, reached its most substantial level of development between 1890 and 1915; the industry then experienced a decade of consolidation in the 1920s, before suffering a sharp decline in profitability during the 1930s Depression. It ceased to operate almost entirely between 1942-1950 and when it was restored to production in the 1950s, it was able to operate only at output levels far below those of the 1920s.

The rapid increase of tobacco production between the 1880s and 1930s was made possible by the provision of capital on a large scale by new types of financial organization and by better management resulting from the incorporation of small individually owned companies into a few large ones. A major change in the organization of the industry around 1920 was the Agrarian Reorganization, which abolished the old apanage system and introduced a system of land tenure and land rental by the plantations more similar to the arrangements applying elsewhere in Java. This development reached a peak in 1921 with the reorganisation of NV-VKCM (Klaten Plantation Company) as a managing organisation for most of the major plantations in the Principalities, as well as other parts of Java. This more impersonal management style, heavier capital investment, tight quality control and a system of sophisticated organisational linkages to the international market characterised the tobacco industry through until 1942. The high profits achieved by tobacco companies enabled them to achieve further consolidation by taking over smaller estates.

The high quality of Vorstenlands binder and wrapper leaf was achieved only through the thorough techniques of cultivation and processing and tight work discipline, which made heavy demands on the time of the peasants. This situation had important
repercussions for the economy of the entire region. The peasants, being unable to devote enough time to their food crops, were compelled to rely on the plantations for both wage and rental payments for the crops grown on the companies land, the paddy kongsen system. This meant an opportunity for the landless peasants to earn a livelihood on a sharecropping basis. The increased use of currency resulted in a new group of Javanese and Chinese traders emerging to take part in this economic activity.

The development of tobacco cultivation in Klaten certainly made an important contribution to the economic growth of the region; but the decline of the industry after 1930 has had fewer adverse effects than might have been expected. This was mainly because of other economic changes which have occurred in Klaten since independence, such as a major increase in rice production, the emergence of new forms of small industries and tertiary services and a general increase in employment in both rural and urban occupations. Vorstenlands tobacco is no longer a major source of foreign exchange or income and the industry is maintained mainly to serve the interests of the state plantation enterprise now controlling it, rather than because of its significance to the overall economy of the region.
A Note on Spelling

The Indonesian language archival material made use of in this study, especially those sources dating from the colonial period, are mostly written according to the old spellings. For the sake of uniformity, I have, wherever necessary, changed proper names and Indonesian words in accordance with current usage and the recent spelling revisions. Thus, for example, Joedonegoro becomes Yudonegoro, Troeckoek becomes Trucuk, and patoeh becomes patuh. The titles of sources and the names of authors, however, are remained unaltered.

On the grounds that this work is concerned mainly with period before independence, I have retained such place names as Beji (Pedan) and Buitenzorg (Bogor). However, for the sake of convenience and consistency I have used Indonesian language terms for the various administrative divisions throughout Java. Thus Residentie or Residency becomes Karesidenan, Regenshaap or Regency becomes Kabupaten, and Onder-district or Sub-district becomes Kecamatan.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARADH</td>
<td>Algemeen Rijksarchief, Den Haag; General State Archives, the Hague</td>
</tr>
<tr>
<td>AKCM</td>
<td>Archief Klatensch Cultuurmaatschappij, Archives of the Klaten Estate Company</td>
</tr>
<tr>
<td>AMRI</td>
<td>Angkatan Muda Republik Indonesia, the Republik of Indonesia Youth Organisation</td>
</tr>
<tr>
<td>ANHM</td>
<td>Archief Nederlands Handel Maatschappij, Archives of the Netherlands Trading Company</td>
</tr>
<tr>
<td>ANRIJ</td>
<td>Arsip Nasional Republik Indonesia, Jakarta; the National Archives of the Republic of Indonesia</td>
</tr>
<tr>
<td>BAT</td>
<td>British American Tobacco Company</td>
</tr>
<tr>
<td>BIES</td>
<td>Bulletin of Indonesia Economic Studies</td>
</tr>
<tr>
<td>BKI</td>
<td>Bijdragen tot de Taal-, Land-en Volkenkunde, a periodical</td>
</tr>
<tr>
<td>BPKNI</td>
<td>Badan Pekerja Komite Nasional Indonesia, The Indonesian National Working Committee</td>
</tr>
<tr>
<td>BPPGN</td>
<td>Badan Penyelenggara Perusahaan Gula Negara, Board of Management of the State Sugar Enterprise</td>
</tr>
<tr>
<td>BPU-PPN</td>
<td>Badan Pemimpin Umum Perusahaan Perkebunan Negara, Board of Management of the State Plantation Company</td>
</tr>
<tr>
<td>Bt</td>
<td>Besluit, Decree</td>
</tr>
<tr>
<td>BTI</td>
<td>Barisan Tani Indonesia, Indonesian Peasants' Union</td>
</tr>
<tr>
<td>CM</td>
<td>Cultuur Maatschappij, Estate Company</td>
</tr>
<tr>
<td>CRO</td>
<td>Commissie voor het Rechtverkeer in Oorlogtijd, Commission for Wartime Transportation Law</td>
</tr>
</tbody>
</table>
DITH = Deutsch Indonesische Tabak Handelsgesellschaft, German-Indonesian Tobacco Trading Company

DPR = Dewan Perwakilan Rakyat, the People's Representative Council

DPRD = Dewan Perwakilan Rakyat Daerah, People's Representative Council (Regency level)

EDCC = Economic Development and Cultural Change, a periodical

GESTAPU = Gerakan 30 September, The 30 September Movement

GOLKAR = Golongan Karya, Functional Group

GPM = Gerakan Pemuda Marhaenis, The PNI Youth Organisation

HTL = Homogenous tobacco leaf

IG = Indische Gids, a periodical

IJG = Indonesian Journal of Geography, a periodical

ITVL = Intensifikasi Tembakau Vorstenlands, The Vorstenlands Tobacco Intensification Program

JAS = Journal of Asian Studies, a periodical

JC = Jaarcijvers, a periodical published by the Bureau of Census and Statistics

JOS = Journal of Oriental Studies, a periodical

KITLV = Koninklijk Instituut voor Taal-, Land-en Volkenkunde, The Royal Institute for Linguistics, Geography and Ethnography

KODAM = Komando Daerah Militer, Regional Military Command (provincial level)

KODIM = Komando Distrik Militer, District Military Command (Kabupaten level)

KRMT = Kanjeng Raden Mas Tumenggung

KT = Koloniaal Tijdschrift, a periodical

KV = Koloniaal Verslag, Colonial Report

MAS = Modern Asian Studies, a periodical
MvO = *Memorie van Overgave*, general report by Dutch colonial officials prepared before their transfer for the benefit of their successors

NV = *Naamloze Vennootschap*, Limited Partnership

NV-VKCM = *NV-Vereenigde Klatensche Cultuurmaatschappij*, The United Klaten Estate Company

OG = *Onderneming Grond*, Estate Land

Perrin = *Yayasan Perkebunan Rakyat Indonesia*, The Indonesian People’s Plantation Institute

PETA = *Pembela Tanah Air*, Defender of the Fatherland (The Indonesian Armed Forces)

PKI = *Partai Komunis Indonesia*, Indonesian Communist Party

PKL = *Pengawas Kerja Lapangan*, field work supervisor

PNI = *Partai Nasional Indonesia*, Indonesian Nationalist Party

PNP = *Perusahaan Perkebunan Negara*, State Plantation Company

PNS = *Perusahaan Nasional Surakarta*, Surakarta National Enterprise

PPKI = *Panitia Persiapan Kemerdekaan Indonesia*, The Committee for the Preparation of Indonesian Independence

PP = *Persatuan Perjuangan*, The Struggle Union

PPN = *Perusahaan Perkebunan Negara*, former name of PNP

PT = *Perseroan Terbatas*, Limited Liability Company

PTP = *Perseroan Terbatas Perkebunan*, see PNP

PUTERA = *Pusat Pengerahan Tenaga Rakyat*, The People’s Power Center

RA = *Regeering Almanak* Almanac for the Interior Administrative Service

RPKAD = *Resimen Para Komando Angkatan Darat*, Indonesian Army Para-Commando Unit

SARBUPRI = *Serikat Buruh Perkebunan Republik Indonesia*, Indonesian Plantation Workers’ Union
SOBSI = Serikat Buruh Seluruh Indonesia, All Indonesian Labour Union

TBB = Tijschrift voor het Binnenlandsch Bestuur, a periodical

TNLNI = Tijschrift voor Nijverheid en Landbouw voor Nederlands Indie, a periodical

TNI = 1. Tijschrift voor Nederlands Indie, a periodical

= 2. Tentara Nasional Indonesia, Indonesian National Army

TP = Tentara Pelajar, The Student Army

TRI = Tebu Rakyat Intensifikasi, The Peasants' Sugar-cane Intensification Program

UBL = Universitaire Bibliotheek Leiden, University of Leiden Library

UUPA = Undang-undang Pokok Agraria, Basic Land Laws

UUPBH = Undang-undang Pokok Bagi Hasil Share-cropping Laws

Vb = Verbaal, a minute

VGR = Vorstenlands Grondhuur Reglement, Principalities Land-rental Law
### Table of Weights and Measures

<table>
<thead>
<tr>
<th>Unit</th>
<th>Equivalent in Metric Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 baal</td>
<td>80 kilogram pack</td>
</tr>
<tr>
<td>1 bouw</td>
<td>0.70965 ha</td>
</tr>
<tr>
<td>1 jung</td>
<td>4 bouws</td>
</tr>
<tr>
<td>1 katie</td>
<td>600 grams</td>
</tr>
<tr>
<td>1 paal</td>
<td>1.5 km</td>
</tr>
<tr>
<td>1 pikol</td>
<td>61.76 kg</td>
</tr>
<tr>
<td>1 pond</td>
<td>0.375 kg</td>
</tr>
</tbody>
</table>
# Table of Contents

Declaration ii  
Acknowledgements iv  
Abstract viii  
A Note on Spelling x  
Abbreviations xi  
Table of Weights and Measures xv  

1. The Plantation Economy: Theory & Description of the Indonesian Background  
   The Socio-economic Background to Plantations in Indonesia 4  
   Theories about the Plantation Economy 8  
   Previous Writings on the Plantations Economy 12  
   Aims and Structure of this Study. 18  

2. The Development of the Plantation System in the Principalities and the Surakarta Residency: 1860-1915  
   Plantations in Java prior to 1870 23  
   Plantations in the Principalities 1800-1870 31  
   Surakarta Residency Between 1860 and 1915 39  
      The Geographical Setting 39  
      Population 42  
      Land Utilization 47  
      Administrative Structure 49  

3. Tobacco Companies in the Principalities and Its Impact on Peasant Economy and Society: 1860-1915  
   The Emergence of the Dutch Tobacco Companies, 1860s-1915 53  
   The Organization of Tobacco Cultivation in the Principalities 66  
   The Overall Impact of The Plantations on Peasant Society in Surakarta 68  
      Peasants and planters: food crops and cash-crops 69  

4. The Agrarian Reorganization in Surakarta: 1900-1920  
   Background 77  
   The Apanage System 79  
      The Apanage Lands, the Sunan and the *Patuh* 79  
      The Role of the *Bekel* 82  
      The Village and Rights to Land 85  
      The Dutch Planters and the Peasants 90  
   Land Rental by Plantations Prior to the 1920s 92  
   The Development of the Idea of a Reorganization 100  
   The Implementation of the Agrarian Reorganization in the Prin- 104
List of Figures

Figure 3-1: Average Production and Prices of Vorstenlands Tobacco, 1861-65 to 1921-25 {five year averages} A
Figure 3-2: Annual Production of Vorstenlands, Deli, and Besuki Tobaccos 1860-1900 B
Figure 5-1: Production of Vorstenlands, Deli and Besuki Tobacco, 1910-15
Figure 5-2: Production of Vorstenlands, Deli and Besuki Tobacco, 1920-30
Figure 5-3: Production and Prices of Vorstenlands Tobacco, 1900-05 to 1926-30
Figure 5-4: Production and Prices of Vorstenlands Tobacco, 1915 and 1920-34
Figure 5-5: Price per pond of Vorstenlands Tobacco, 1916/17-1931/32
Figure 5-6: Costs of Production per pond of Vorstenlands Tobacco, 1916/17-1927/28
Figure 5-7: Yield per Bouw of Wedi-Birit, Gayamprit, Kebonarum, Polanharjo Tobacco Estates, 1906-29 {In Kilograms}
Figure 6-1: Indonesia Tobaccos, Production Index 1930-38 {1920s average 100}
Figure 6-2: Various Tobacco Estates in Klaten, Production Index 1932/33 - 1936/37 {1920s average=100}
Figure 6-3: Various Tobacco Estates in Klaten, Area Planted 1929/30 - 1936/37
Figure 6-4: Daily Wages of Male Factory Labourers In Sugar Industry, Java, 1929-39
Figure 6-5: Food Crops in Surakarta, Area Harvested 1920-29 & 1930-39
List of Tables

Table 2-1: Land-rental Contracts In Surakarta and Yogyakarta: 1815-1820

Table 2-2: The Production of Coffee {In Pikols,} Sugar {In pikols,} Indigo {In Ponds,} and Tobacco {In Ponds} In Surakarta, 1861-1867

Table 2-3: Population Growth in Surakarta Karesidenan, 1860-1905

Table 3-1: Number of Companies and Production of Major Cash Crops in Surakarta, 1870-1907

Table 3-2: Tobacco Production in Surakarta, 1876-1892

Table 3-3: Profits, Losses {In fl.} and Dividends {In Per Cent} of NV-KCM, 1887-1915

Table 4-1: Number of New Villages in the Tobacco-Growing Areas of Klaten Kabupaten by 1920

Table 5-1: Profits Obtained by NV-KCM, 1920-1930

Table 5-2: The Percentage of Sand Leaf, Middle Leaf and Top Leaf Tobacco Produced by Kebonarum Estate, 1911 to 1928

Table 5-3: Production and Prices of Tobacco from the Sunan’s Estates During the 1920s

Table 5-4: The Annual Population Growth Rate of Tobacco and Sugar-Growing Kecamatan in Klaten, 1920-1971

Table 6-1: Index Numbers, Imports and Exports of the Netherlands Indies, 1929-1934 {In fl. million}

Table 6-2: National Income, Exports, Prices & Investment: Netherlands Indies 1910-1939 {In fl. million}

Table 6-3: Net Revenue and Expenditure of the Netherlands Indies, 1929-1934 {In fl. million}

Table 6-4: Production, Prices and Value of Vorstenlands Tobacco; 1920/21 - 1928/29 Seasons

Table 6-5: Production, Value and Prices of Vorstenlands, Besuki, Krosok and Sumatra Tobaccos, 1920-24 to 1935-38

Table 6-6: Tobacco Production of NV-KCM in Surakarta, 1934-1939 {In Quintals}

Table 6-7: The Reduction of Land-rental Paid by Companies to Sunan of Surakarta and Prince Mangkunagoro, 1933/34 till 1936/37 Seasons {In per cent}

Table 6-8: Area Planted with Food Crops in Surakarta, 1927-1935 {In 000 Hectares}

Table 7-1: Paddy and Secondary Crop Production in Java in 1941 and 1944

Table 7-2: The Area and Production of Sugar Cane in Surakarta: 1941-1943

Table 7-3: Production {In baal} of Surakarta Tobacco Estates from 1950/51 to 1956/57.

Table 7-4: The Area planted, yield per hectare, and prices per pond of Vorstenlands tobacco, 1950/51 to 1957/1958.

Table 7-5: The Area Planted and Production of Vorstenlands Tobacco on Various Estates in Klaten, 1951-1959
Table 8-1: The Volume (in Baals) and Value (in fl./DM) of Vorstenlands Tobacco Exported, 1958-1979

Table 8-2: The Area Planted (in Hectares), Production (in Quintals), and Yield per Hectare (in Quintals) of Rice in Klaten Kabupaten, 1976-1983

Table 8-3: Production, Consumption, and Surplus of Rice (in Tons) in Klaten Regency, 1979-1983

Table 8-4: The Area Planted with Sugar-cane under TRI in Klaten Regency, 1979-1983 (in Hectares)
# List of Maps

<table>
<thead>
<tr>
<th>Map</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map 1</td>
<td>Surakarta Residency</td>
<td>1</td>
</tr>
<tr>
<td>Map 2-1</td>
<td>Klaten Regency Java, Cash Crops Grown by Companies in 1890</td>
<td>43</td>
</tr>
<tr>
<td>Map 3-1</td>
<td>Vorstenlands Tobacco Plantations in the Principalities in 1912</td>
<td>58</td>
</tr>
<tr>
<td>Map 3-2</td>
<td>Klaten Regency Java, Gedaren Sugar Estate, Ketanden and Ngupit Tobacco Companies</td>
<td>75</td>
</tr>
<tr>
<td>Map 5-1</td>
<td>Vorstenlands Tobacco Plantations in the Principalities in 1935</td>
<td>151</td>
</tr>
</tbody>
</table>
Map 1: SURAKARTA RESIDENCY

CHAPTER I

The Plan of the Empire & Description of the Indonesian Background

In the early days of Indonesia, the empire was divided into divisions. The Dutch had established a system of administration in Indonesia, and each division had a governor who oversaw the administration of the area. The divisions were further divided into sub-divisions, and each sub-division was managed by a district officer. The empire was divided into five main divisions:

1. BOYOLALI DIVISION (afdeling)
2. SRAGEN DIVISION
3. KLATEN DIVISION
4. SURAKARTA DIVISION
4a. WONOGIRI SUB-DIVISION

JAVA SEA

1 TEGALGONDO ESTATE
2 NGLUNGGE
3 POLANHARJO ESTATE

INIAN OCEAN
CHAPTER 1

The Plantation Economy: Theory & Description of the Indonesian Background

In the early years of Indonesian independence, the study of Indonesia's recent history tended to be dominated by scholars who emphasized political and cultural themes in their studies. There was a need to explain those developments of the colonial period which underlay some of the most important features in newly independent Indonesia; and scholars such as Kahin writing on nationalism, Benda on Islam, and McVey on communism attempted in different ways to provide a background to understanding of those major political forces in Indonesia between 1950 and 1965.¹ That kind of work was necessary and much of it was done well; but by concentrating on the national level of politics and attempting to cover the whole colony or the whole nation over an extended period of time, these writers (and others) tended to focus mainly on the stories of only a few leaders, who were the most prominent or most articulate members of those movements. They did not tell us much about the masses of the people or about the changes that were occurring at the local level.

Attempts to concentrate more on the masses of the people and to bring them somehow into the history of Indonesia were made by Sartono in his works on the peasants' revolt in Banten and on agrarian unrest in rural Java, and by Benda and Lance Castle's writing on the Samin movement. These works on peasant rebellion were important con-

tinuation to Indonesian historiography, because they bridged the gap between general or political history and the local socio-economic studies which began to emerge in the 1970s.  


The development of the social sciences in Indonesia was also leading to a better understanding of rural society. This new focus on Indonesian historical and socio-economic studies, directed especially at agricultural and social aspects, was very appropriate. The latter focussed more on the role of the mass of the people in the socio-economic processes occurring at the grassroots level and on the roles of important outside forces which were now being taken into account, not just for their own sake, but rather as they were related to the interests of the people in the rural areas in the localities under study.  

With this closer orientation to the study of rural people, local socio-economic history became attractive as well as possible, partly because of the increasing availability of archival sources, especially in the National Archives, Jakarta. Documents can be found there on various aspects of karesidenan-level (Residency) socio-economic history. Further-
more, some conclusions or assumptions implicit in the earlier kind of political history were now challenged by the findings of local socio-economic historians. Certainly, the socio-cultural plurality of Indonesian society and its diversified geographic and historical experience played an important part in determining the responses of local communities to particular pressures and intrusions. For instance, Frederick's work on Surabaya and O'Malley's on Yogyakarta and East Sumatra showed that the path taken by nationalist politics in those places was more influenced by local conditions and personalities than had been shown in the conventional picture. Likewise, Geertz's Agricultural Involution thesis, after exerting great influence for many years, came to be challenged on various ground by people who had studied particular regions in detail, most notably Elson, Kuntowijoyo and Fernando (although we should note that numerous other scholars have also offered more general criticisms of Geertz's theory). In this study, I am attempting to look at the impact on a local society of a particular cash crop, cigar tobacco in the Principalities (almost entirely in Klaten), which became famous as one of the major plantation enterprises of the late colonial era and still remains an important local agricultural industry today under the management of a state plantation company.

The Socio-economic Background to Plantations in Indonesia

Large-scale plantation industries constituted a keystone of the Indies economy during the period 1830-1940, a period in which major changes were experienced in respect to their crop patterns, their method of organization of production and the location of the plantations. Even the concept of a "plantation" (which is used here almost synonymously with "estate") changed greatly between the mid-19th century and the mid-20th century, both in respect to size (from a dozen or so hectares in the earliest cases to many thousands of hectares in the cases of largest rubber estates in East Sumatra) and or-


ganisational structure, ranging from small individually-owned estates to huge corporate bodies like HVA, Deli Mij. or NV-KCM, the latter being the one we will be most concerned with here.

Boeke characterized a plantation as "a complex of enterprises, technical units, probably with its own administrative and exporting units." But he was defining a plantation solely in terms of technical and organizational efficiency, with almost no reference to the labor supply or to the society surrounding it. It was almost as if the plantations had no relationship to that society, as if there were an entirely separate or "dual" plantation enclave quite apart from the surrounding villages. But this was clearly not true of the Vorstenlands tobacco industry, as we shall see, nor of the case of Besuki tobacco cultivation. Nor was it true of the system of sugar production, in which there was a close relationship between the sugar mills and and the surrounding villages. In fact, there was not a sharp line of distinction at all between plantation and peasant production of cash crops (except in the case of rubber and to a lesser extent tea) so much as a rather blurred and fluctuating line, differing from place to place and time to time, as well as from one crop to another, especially in the case of high-quality cigar tobacco production, which is the subject of this study.

The Cultivation System is commonly regarded as the beginning of the Dutch plantation system. Yet it operated on a plantation basis only for sugar, not at all for the major cash crop of that time, coffee. Under the Cultivation System, sugar production did, indeed, mark the beginning of the development of a new pattern of large-scale "plantation" enterprise, because it was a form of large-scale production, based upon big, expensive mechanized mills, involving control of much land and labour by the mill. After 1870, the same characteristics could be seen in the private Dutch (or other foreign) plantations producing tobacco, rubber, tea and in some degree coffee, although there were important differences in size and structure. In the case of indigo and coffee production under

---

the Cultivation System, these crops were not operated as "plantation"-type enterprises, so much as compulsory cash crops grown by peasants under the direction of the Dutch government officials. Coffee production under the Cultivation System was not very different from the Preanger-stelsel of 18th century, except that the control by an opziener became much more intense after 1830. But it was still mainly the bupati, wedono, or demang who organized the cultivation of the crop, not a Dutch government official or company or "plantation". Coffee was produced on small-scale kebuns owned and operated by the villagers, not by Dutch planters. These were very different from the the large-scale "plantation" pattern of cultivation applied to sugar and tobacco later on. And yet it was coffee, not sugar, which earned the big money for the Dutch government in the early years of the Cultivation System. Only after the 1850-60s, did sugar begin to replace coffee as a major source of government revenue. The compulsory production of indigo never succeeded in bringing in big revenues to the government under the cultivation System; nor did tobacco or tea.7

Of the various cash crops grown under the Cultivation System, coffee was not a new crop, while others such as sugar, tobacco, and indigo were not new in certain areas, although they were elsewhere. These crops were grown on lands belonging to the natives or in the so-called private lands (partikuliere landen see p. 44 Chapter 2). Coffee was grown basically on uncultivated hill-slope land or in the pekarangan of the peasants, under the orders of the native village leaders, subject to the supervision of Dutch officials. Sugar factories usually made contracts with peasants to grow cane for delivery to mills established by Dutch contractors. When the private tobacco planters emerged in the 1850s in Besuki, they rented the land from local rulers (or the government in Batavia) but relied on the peasants to grow the crop. In the Principalities, the apanage system enabled the planters to obtain both land and labor through arrangements made with the local rulers.

7 Fasseur, op.cit., pp. 119-120.
Soon after private Dutch entrepreneurs were allowed to operate extensively in agricultural production after the 1870 Agrarian Law, the area of land under cash crops increased rapidly (see Table 3-1, in Chapter 3) and their cultivation was found to be more profitable, except during a period of recession in 1884-1885. Millions of guilders were accumulated as profits by the planters and plantation companies and large sums of money remitted to the Netherlands. The transition from individually- or family-owned enterprises to the “corporate-plantation system” in the 1860-70s had a very significant effect upon the economy of the peasants as a consequence of the cash payments paid by the cash crop industries.

A great expansion of plantation agriculture and cash crop cultivation occurred between 1870 and the 1920s, especially sugar and tobacco in Java (also tea and coffee later, and some rubber) and later rubber and palm oil in Sumatra. In this period, agricultural industries experienced rapid expansion, although a decline occurred after the 1884-85 recession, with a gradual recovery being achieved in the 1890s. This expansion continued until the outbreak of World War I; but from 1915 to 1919, productions of Vorstenlands tobacco declined almost to nil, because of difficulties in the shipment of the produce to the international market. The expansion of the plantation companies at that time was stimulated by two developments, the provision of capital through the estate banks and by the strong demand on the international market. This situation caused more and more companies to invest their capital in various industries in the Indies, especially in the period from 1890 to 1910, which consequently increased the competition among them. And in the highly competitive international market of that time, all Netherlands Indies plantation companies needed a low-cost and low-wage economy to be established by the government’s economic policies. In the Principalities, this was obtained in the late 19th century through the utilization of the apanage system, although after it was reorganized in 1912-1917, various other provisions were made by the Dutch government in order to safeguard the industry.

\[8\text{Geertz, op.cit., p. 50.}\]
The heyday of plantation industry in the Indies occurred in the 1920s, but was soon followed, quite disastrously, by the 1930s Great Depression. The entire situation confronting the plantations, at home and abroad, was fundamentally changed by the Depression, which caused loss of international markets for many commodities and collapse of many plantation companies (especially sugar, although rubber rather less so - and paradoxically that was not a big problem at all for Vorstenlands tobacco). In the 1940s, further disruption of the plantation economy occurred during the Japanese occupation and the independence struggle; in the 1950s it was just recovering when all Dutch enterprises were nationalized in 1957-58. After that, the plantations operated under a state enterprise, PPN, but with radical changes in the economic environment, since they no longer constituted the leading sector. This new situation in which the plantations were operating after 1958 differed quite fundamentally from that of the early years of the industry between about 1860-1930, as we shall see in due course.

So, the development of one small part of the Dutch plantation industries, namely the Vorstenlands tobacco industry, needs to be examined against that broader background. Yet in its local context, it was a major industry in the late 19th century, although not the only one nor the largest, and today it has become, in fact, a relatively minor element in the regional economy of Klaten. It is of interest, however, because our search for the reasons for those changes can tell us a lot about socio-economic changes generally in rural Java.

Theories about the Plantation Economy

Andre Gunder Frank is the most influential writer on this subject and the intellectual founder of the “dependency school” of analysis of the impact of modern capitalism and neo-colonialism on the Third World countries. He stresses the importance of external pressures upon these countries as the main determinant of their economic and political development. Frank’s main contribution was to highlight the far-reaching implications for

---

countries which were highly dependent on one or two export commodities of the price fluctuations of those commodities and the power that came to be exercised by the big property-owners there, in many cases plantation-owners, over their political and social life. This state of affairs also gave foreign capital, on which such economies were highly dependent, a great deal of influence over them, either in the form of direct investment in plantations or cash crops or indirectly through the links established between the local elites and the external organisations connected with the trade in those commodities. And while the production of export oriented crops was highly profitable, there was little incentive for investment in production of other manufactured goods, which could more easily be imported. So the "dependency syndrome" operated as a kind of vicious circle from which it was difficult to break out.

At first sight, this analytical pattern seems to have a close similarity to the situation in Netherlands Indies prior World War II. It cannot be denied that the colonial economy was dominated by the industries producing export crops (sugar and rubber), minerals (tin and later also oil) and other commodities on which the prosperity of the colony largely depended nor that the Dutch owners of these assets exercised a powerful influence over the determination of policy making. But Netherlands Indies was not a monoculture in the same degree as the Caribbean Islands, or parts of Latin America became. On the contrary the diversification of the colony's main sources of exports was one of the most significant features of its development between 1870-1941. And the Dutch government did not run the economic policies of this colony solely in the interests of any one group of plantation owners or mines, but had to keep a balance between the divergent interests of many of them, as well as of the so-called "natives", whose welfare it was trying to look after under the period of Ethical Policy. So the political and socio-economic dynamics of the pattern of development which occurred over the last century of colonial rule cannot entirely be reduced to a simplified "dependency theory" model without taking local circumstances and differences into account.

But critics have been saying much the same as that about dependency theory in
other countries also. It is a mistake to over-emphasize the degree of influence exerted by external factors or the international trade situation even in cases where these have been very important. There has also been considerable debate among Marxists about the degree to which the development of international trade has been responsible for the development of market relationships and capitalism in Third World societies during the process of transition from "feudalism" to capitalism. Laclau has been critical of Frank on this matter, arguing against the view that the growth of international trade was the crucial factor in this and putting the emphasis instead on changing labour relationships, in particular, the change from various forms of slavery or other involuntary servitude towards free wage labour, which he regards as the central feature of capitalism. This debate between Frank and Laclau has close similarities to a much earlier debate between Sweezy and Dobb on the same issues in the development of capitalism in Europe. Sweezy, like Frank, was inclined to put the stress on the development of market relations, and especially international trade, in breaking the bonds of feudalism and opening up trading opportunities as an engine of growth in the early stage of capitalism. (Frank, by contrast, regards international trade and the dependency it promotes as one of the main long-term causes of stagnation; so their approaches were not identical.) Dobb, like Laclau, had put more weight on the conditions of employment and the relative bargaining power of the rural and urban labour force as the main factors determining the breakdown of feudalism and the emergence of a capitalist society.

Commenting on the significance of this debate in the course of an article on "the plantation economy", as a distinctive type or phase of socio-economic development, Mandle has concluded that,

"...it obviously is not trade per se which accounts for whether a country or area stagnates or expands. ... The effects of international trade is largely determined by what goes on inside society. The extent


Mandle's article serves as a useful starting point for our analysis of the whole issue of the relationship between the Dutch plantation economy in the Netherlands East Indies and the two phenomena of exploitation and dependency, which have commonly been associated with colonial regimes since long before the achievement of independence. In this thesis, we will be looking only at one small part of the plantation economy, the Vorstenlands tobacco industry; but it does, in microcosm, throw light on the two issues of exploitation and dependency more generally. For the high profits made by the Dutch companies do raise questions about the means of “exploitation” of labour (or other resources in the production process) which lay behind those very high profit levels. And the fact that in the early years of the plantation system there, the peasants were bound to provide unpaid labour services under the apanage system does bring up some of the questions raised by Dobb about the transition from feudal or quasi feudal forms of involuntary servitude to wage labour.

On the matter of dependency, we will see that the tobacco industry was very severely hurt by the 1930s Depression and the subsequent collapse of tobacco exports in the 1940s; yet not as severely as the sugar industry, significantly. And the post-1930s decline in the tobacco industry in the Principalities has not had nearly such far-reaching effects on the socio-economic life of the region as a crude form of dependency theory might lead us to expect, for other forms of economic activity have developed, which have provided both jobs and incomes for peasants in the region. In other words, the story of Klaten regional development, while greatly influenced by the growth of the tobacco and sugar plantations during the expansion phase between 1870 and 1930 when international

\[\text{to which market power either is achieved by or is denied to others depends on the internal capacity of the economy; the extent to which modernization of technology and institutions is the consequence of widening markets similarly depends upon internal social structure.}^\text{12}\]
Trade in those commodities was rising to its peak, cannot be reduced to a simple story of early capitalist development followed by stagnation, because other factors have also to be taken into account, as we shall see.

**Previous Writings on the Plantations Economy**

The Indies plantation economy has attracted the attention of various social scientists and historians who have studied various aspects of this very distinctive sector of the Indonesian colonial social system. Studies by social scientists such as Allen and Donnithorne, and Barlow, have tried to compare between the development of plantations in Indonesia and Malaya. Others such as The Kian-wie, Pelzer, Stoler and O’Malley have written extensively on the development of Indonesia’s most remarkable plantation region in East Sumatra during the colonial period. The sugar plantations of Java have been described briefly by Allen and Donnithorne and Geertz as well as Elson, Knight and Fernando in respect of particular regions, although no comprehensive history of this important industry has yet been attempted.

The study by Allen and Donnithorne, conducted in the early 1950s, is one of the most valuable contributions to the history of western enterprises in Indonesia and Malaya. Its purpose was to investigate the course of western enterprise in several widely contrasting environments so as to show the reasons for their success, the diversity of methods, organizations and policies of western firms, their varying achievements and the differences in their economic relations with the Asian people among whom they operated.

---


15 C. Geertz, *Agricultural..., loc.cit.; Elson, loc.cit.; Knight, loc.cit.; and Fernando, loc.cit.

16 Allen and Donnithorne, loc.cit.
One of their most interesting conclusions was that the flexibility and adaptability of these firms to changing market conditions, made possible by their strong capital backing, had been a major factor in their success. Barlow made a similar study of the rubber industries of the two countries thirty years later, much influenced by Boeke's concept of dualism. He tried to examine also the role of the smallholding sector in rubber export agriculture taking into account various economic, social, and political factors which have affected the very different patterns of development of the two sectors of the rubber industry in Indonesia and Malaya, showing the complexity of the responses of each to differing market circumstances and technological changes from time to time.¹⁷

The major study on the contribution of the plantation economy to regional development has been that of The Kian-wie on the tobacco, rubber and palm-oil industry of East Sumatra.¹⁸ These were all a very distinctive type of plantation, large-scale and very capital intensive, operating in a socio-economic environment with relatively abundant land easily available, but a shortage of labor, which had to be imported. The cheap-labor policy and land occupation restrictions practiced by the Dutch planters in this region prevented the emergence of peasant production of export crops. The dualism inherent in the East Sumatra plantation system, both technological and social, was much sharper than it was in the sugar areas in Java. The Kian-wie found that the gap between the strong estate rubber industry and the weak peasant sector of the regional economy got steadily wider, since the estates were able to expand their land holdings and to improve their technology while the peasants were not involved in any significant departure from traditional techniques of cultivation.

Pelzer's work on East Sumatra gives the fullest account of the development of the agrarian relationship between plantations and local communities.¹⁹ The importance of social structure and traditional technology in the response of the peasantry in this region to

---

¹⁷Barlow, loc.cit.
¹⁸The Kian-wie, loc.cit.
¹⁹Pelzer, loc.cit.
changing opportunities have been the major issues in Pelzer's studies since 1940. The course of development of plantation agriculture in this area has also been depicted by Geertz as follows:

"...Nowhere else in Indonesia, not even Central Java, did plantation agriculture develop so extensively, so resourcefully, so profitably, or so destructively."\(^\text{20}\)

This theme was the focus of Pelzer's two books, *Planter and Peasant*, and *Planters Against Peasants*. In the first of these books, Pelzer traces the development of the East Sumatran plantation system during the colonial period,\(^\text{21}\) while the second, unfinished at the time of his death, was originally designed to carry the story to the end of the colonial-era plantation economy.\(^\text{22}\) Pelzer described various changes that occurred during the period studied of which one aspect of the story was never resolved: land use. Seventy-five years of the most intense agrarian modernization produced in East Sumatra one of the classic agrarian conflicts of modern times: determined enclosers of land vs. defiant squatters.

In the Principalities of Java, agrarian conflict did not become such a significant issue as it was in East Sumatra during the colonial period for two reasons. First, the population pressure which was relatively high in the mid-19th century compelled the peasants to practice intensive agriculture, while in East Sumatra where the population was scarce and slash-and-burn agriculture was still practiced. The peasants of this region were allowed to use the plantations to grow their own food crop under the *jaluran system*. This system was needed by the plantations because a 9-year cycle of crop rotation had been found to be the optimal mode of utilizing the soil of that area to produce the highest quality tobacco. It meant also that the local peasants could be allowed to grow food crops on it, using their traditional slash-and-burn techniques. Second, the

\(^{20}\text{Geertz's preface to Pelzer's unfinished writings in Pelzer. 1982. op.cit., pp. vii-xi.}\)

\(^{21}\text{Pelzer, 1978. op.cit.}\)

\(^{22}\text{Pelzer, 1982. op.cit.}\)
peasants in the Principalities had their land allotted on a fixed basis, namely one-third of a *bouw* from either apanage landholders or Dutch planters. The peasants in East Sumatra, on the other hand, were basically independent peasants and in order to obtain a piece of agricultural land usually they had to put great effort into cutting down trees in the jungle. Any opportunity to occupy a portion of land, such as during Japanese occupation, meant a lot to them. Population pressure in the Principalities gave rise to increased share-cropping between the peasants and landless laborers. The greater the population pressure the more complicated the share-cropping arrangement became. Basically there has been a high degree of elasticity in the peasant communities in the Principalities, as in Java generally, in coping with the problem of population increase over the period. Geertz used the term “shared poverty” for this ultimately self-defeating process. In East Sumatra, the land-use restrictions during the Dutch colonial period, which no longer applied during the Japanese occupation and independence struggle, tempted the local peasants to take advantage the situation by occupying the estate lands. This was not the case in the Principalities, because the land used for growing tobacco was the peasant’s land; the only estate land to be occupied illegally was a plantation office compound destroyed during the revolution. And whereas the *jaluran-system* was implemented by the tobacco companies in East Sumatra, in the Principalities the companies allowed the peasants to grow rice on the land allotted to them; and after the 1917 Agrarian Reorganisation, the companies permitted the peasants to grow rice crops after the tobacco crop on the so-called *paddy-kongsen* land. In order to meet the food needs for the laborers in East Sumatra, the planters there either imported rice from abroad or grew rice on a portion of their own lands. In this respect, the planters in the Principalities followed a very different policy, by putting the burden on the peasants in the tobacco areas. These various elements in each situation made the nature of the relationship between the laborers and the companies in East Sumatra, like the huge *Vereenigde Deli Maatschappij* (VDM), very different from that of the Principalities, such as *NV-Klatensche Cultuurmaatschappij*, or NV-KCM.

A recent study by Ann Stoler, an anthropologist, has tried to depict the labour rela-
tions and conditions of employment, proletarianisation of labour force in the East Sumatran cultuurgebied (plantation region) which was very different from those prevailing in Java. Her analysis basically followed a Marxist framework and put great emphasis on the fundamental socio-economic cleavages underlying the process of proletarianization occurring in East Sumatra. Here again, the pattern in Java was very different.

The major recent studies of plantations in Java are those by Fasseur, Elson, Fernando and Knight on the Cultivation System and the sugar industry, mostly in its early years. (Very little attention has yet been given to the various bergcultures in Java, coffee, tea, rubber, tobacco, etc, which had a big impact on the opening up of the Oosthoek of East Java). The most important feature of these writings is that they tend to contradict the old idea that "the cultivation system was simply a new burden laid on the Javanese people, in addition to the land rent, without any recompense worth mentioning being given for the work done." Fasseur has emphasized the important contribution made by the crop payments (plantloon) to the purchasing power of some areas and the total volume of money in circulation under the Cultivation System - even though this was also associated with a system of compulsory cultivation - for there is a lot of evidence that in certain parts of Java, at least, the system "did increase the level of prosperity, albeit not without an important increase in the labour burden laid upon the Javanese population." This radical reinterpretation of the socio-economic impact of the plan-


24 She stated that there were disparities between the apparent and real conditions of the labor force's proletarian versus peasant expectations, interests, and status. This disparity grew out of the very process of commoditization and was an integral component of the strategies behind the incentives for immigration, the policies of labor recruitment and control. The industry's attempts to establish a "normal" labor market similar to that prevailing in Java was at the heart of the various labor settlement schemes proposed throughout the prewar period. These programs were based on allocating a less than minimum agricultural subsistence base for the laboring population, one adequate to provide for their reproduction when push came to shove but far below what would allow workers to become independent of estate employment. *Ibid.*, p. 207.


tation crops, especially sugar, under the Cultivation System compels us to reconsider the old assumption that their effect was purely exploitative and oppressive. But this does not mean that the social impact of these crops was always beneficial to the local people for in the later years many regions become highly dependent on them and "locked in" to their requirement, for land and labour, in later decades, especially in years of Depression. Most importantly, Elson and Knight have shown how the rural elite of the richer peasants and the pamong desa were able to benefit from the roles they played as intermediaries and labour contractors between the Dutch planters and the village people. In this respect, their analysis of the socio-economic dynamics of the sugar industry differs in some fundamental ways from that of Clifford Geertz in *Agricultural Involution* with its emphasis on "shared poverty" and the levelling effect of the sugar industry. Yet Geertz was surely right in drawing our attention to the need to analyse the impact of different crops on the social organization and development of different regions through the demands they made upon the land and labour of various groups in society. This will be the main theme in my study here of the tobacco industry in the Principalities.

There are three studies of the Principalities which provide background information on various aspects of the socio-economic conditions there, including the impact of the Dutch plantations, before and during the struggle for independence. The well-known study of Yogyakarta by Selo Soemardjan has a valuable chapter on the sugar industry, in addition to his analysis of the changing class structure and political relationships resulting from the transition from a feudal-colonial society to kemerdekaan. In a very fairly balanced assessment of the contribution of the sugar plantations, he shows that while they did open the way for thousands of landless Javanese to earn a cash income, they were seen as "unmercifully" oppressive and exploitative by most of the people of Yogya because of the grossly unequal character of the relationship between the big, highly-capitalized plantation companies, backed constantly by Dutch local officials in colonial times, and the thousands of poor and relatively defenceless peasants. Although the plan-

---

tations lost that political backing after independence, they were still resented for the link they represented with colonial rule. Soemardjan's study does not say much about Surakarta Residency (Karesidenan), where the political conditions were rather different, as Sujatno shows in his thesis on development there during the revolution, including the 1946 "Social Revolution". This study has only a little to say about the pre-war plantation economy of that region and does not suggest any very direct link between the presence of the plantations and the radicalism of much Surakarta politics in 1945-50, except (indirectly) concerning the 1948 strike in the Delanggu jute factory. It is possible that the Dutch plantations had a more disruptive effect on local society in Surakarta than in Yogyakarta (and may also have contributed to the unpopularity of the Sunan, in contrast to the great popularity of the Sultan of Yogyakarta in 1945-46); but I have not been able to investigate this side of the story at all intensively here. O'Malley has given us a very valuable account of the main political movements in Yogyakarta in the 1930s, and at the same time provided a lot of useful information on the impact of the Depression on Yogyakarta, to which I will be referring in Chapter 6.

**Aims and Structure of this Study.**

This study focusses on various issues associated with the development of the Vorstenlands tobacco industry in Java, particularly in Klaten regency from the 1850s to the present. It is concerned to find out, first of all, more about the institutional characteristics of the plantation companies involved in. Here, the general picture of the industry development seems clear; the industry progressed from its early small-scale development between the 1860-90s in the form of a number of individually-owned estates producing tobacco and other cash crops towards higher degree of corporatization in the 1880s and then a more consolidated, specialized system of production by fewer and larger companies between 1890-1920, then finally towards a high degree of consolidation during the final years of Dutch rule under the control of essentially one major corporation, Klaten Estate Company. Since 1958 it has been under the control of a state plantation company,

---

The reasons for these changes and their significance in the development of the industry will be investigated. Second, we will seek to discover more about the ways in which, those changes came about and the reasons why they did, giving special attention to such crucial issues as profitability, management style, and labor utilization policy. Third, it is important to know more about the recruitment of the labour force, especially the natives, and particularly the key roles played by the foremen (*mandaer*) and other lower and middle management at different times in order to understand the ties between the industry and the local community fully. A fourth major theme to be explored must be the connection between plantation agriculture and popular agriculture in Klaten regency. It has been generally believed that the relationship between the two worked strongly to the advantage of tobacco (and other plantation crops) but probably had disadvantageous consequences for the peasants and their food crop production. Tobacco came to assert a prior claim to the region's best land, demanded priority in the allocation of its water, and made severe demands on the time of the most skilled and experienced farmers. But there is conflicting evidence on the overall impact of the tobacco industry on peasant welfare in Klaten and no unequivocal conclusions are yet justifiable.

It is important to notice also that new economic opportunities were created by the plantation industries in Klaten in the form of new jobs associated with the processing of tobacco leaf and the construction of smokehouses etc., which contributed in some degree to the increased purchasing power of the villagers in Klaten. Since crop payments were not introduced in Klaten until the beginning of second half of 19th century, the commercial stimulus therefore was limited; but there were several changes over the consecutive decades, which must have improved the purchasing power of the peasant community in this region. In the early part of 19th century, the apanage system allowed the planters to demand obligatory labor from the peasants without any crop payments or wages. It was most possibly the gradual introduction of wage payments during the consolidation period in and after the 1880s that brought some improvement in village welfare. Prior to the 1880s, basically forced labor was demanded of the peasants in the plantation fields, without any payment. Gradually, various forms of wage payments were introduced until fixed
rentals were institutionalized after the 1912-17 Agrarian Reorganization (see Chapter 4). This process of gradual monetization of the peasant economy must have had a significant effect on the changing status of the peasants in the Principalities over this period from one essential powerlessness (apart from the possibility of fleeing elsewhere) to one in which their options and opportunities to earn some money income were widening. Yet even in the 1920s, when a new type of contractual relationship between peasants and the companies was being fully implemented, the general level of wages was very low and employment conditions were very bad in tobacco industry. The limited bargaining power of the laborers, their dependency on the Javanese overseers (mandoer) and village headman or bekel was then regarded as the most regressive aspect of the industry in its impact on local society.

With respect to the political and administrative side of the industry's development, we see that in these indirectly Dutch ruled "native states" of Java as well as East Sumatra, the export agriculture interests had strong ties to Dutch government officials who were able to provide planters with invaluable assistance through the pressure they could exert on the rulers. It is possible that the political influence of those Dutch officials in the self-governing Sunanate of Surakarta and in Yogyakarta would not have differed much from those prevailing elsewhere in the other directly-ruled parts of Java, although during the boom years when tobacco was experiencing rapid development, the role of European officials was probably not as intensive as it was elsewhere on the island. This does not mean that there were no links in Klaten between the plantation managers and officials of the Dutch government which were beneficial to tobacco planters, but rather to suggest that we still need to discover a lot more about the nature of those links, especially in the crucial years before the 1917 Agrarian Reorganization and during the 1930s Great Depression, instead of simply assuming that the kinds of close political relationship between the Dutch and Javanese authorities that prevailed in other places could be found in

Klaten as well. Likewise, it is hard to discover much about the politics of popular reactions to the development of the plantation industries in Klaten. The plantation areas in Java are generally thought to have been ideal sites for spontaneous popular opposition to colonial rule to arise (in the form of crop burning, sabotage, messianic movements, etc), which might have provided a basis for recruitment into the nationalist movement. But the evidence available from Klaten does not indicate that this was very widespread in the Vorstenlands tobacco industry.\textsuperscript{30}

The development of the tobacco industry in Surakarta Residency (Karesidenan) from the first experiments around 1860 until the 1980s, will be discussed in Chapter 2-3, 5, and 7-8, while Chapter 4 will deal with the complex but important issue of the Agrarian Reorganization of all land in the Principalities (not just in the plantation areas) in 1912-1917. Chapter 6 is an account to the impact of the 1930s depression upon Surakarta generally and the tobacco industry in particular, which Chapter 7 give accounts of the period of war and revolution. The concluding chapter, Chapter 8, deals with post-independence developments; and the general significance we should attach to the industry is discussed in Chapter 9.

\textsuperscript{30}O'Malley, \textit{loc.cit.}
CHAPTER 2
The Development of the Plantation System in the Principalities and the Surakarta Residency: 1860-1915

In the first half of the 19th century, the cultivation of cash crops for the international market in the directly-ruled parts of Java was limited mainly to enterprises controlled by the Dutch government. But in the Principalities (Vorstenlanden, i.e. the indirectly-ruled "native state" of Central Java ruled by the Sunan (Susuhunan) of Surakarta and the Sultan of Yogyakarta) Dutch planters were encouraged by the local rulers and tolerated by the colonial authorities. Coffee and indigo were the most important crops grown in the Principalities at that time, as in the other parts of Java, although their contribution as a source of revenue for the mother country was later replaced gradually by sugar. Some tobacco cultivation was attempted under the Cultivation System (Kultuurstelsel), but mostly without great success. But the mid-19th century proved

1 Criticisms of the government monopoly of cash crop production in the Indies were made by the Dutch Liberals and appeared in publications such as "De Locomotief," a newspaper published in Semarang, and in the speeches of men like Van Kol in the Netherlands parliament. Gradually, the Liberals and the capitalists were victorious and private capitalists were allowed to invest in agricultural enterprises in the Netherland-Indies. J.S. Furnivall, Netherlands India A Study of Plural Economy. Cambridge: Cambridge University Press, 1944, pp. 159-166.

2 Surakarta and Yogyakarta Residencies (Karesidenan) were known by Dutch officials as Vorstenlanden or the Principalities. They were situated in the area bounded by Semarang residency in the north, Mt. Lawu in the east, Kedu residency in the west, and the Indian Ocean in the south. The Opak River and Mt. Merapi serve as a natural boundary between the Yogyakarta Sultanate and the Surakarta Sunanate. The term Vorstenlanden was used during the Dutch East-Indies Company period as a synonym for the self-administered regions ruled by the Sunan (literally Susuhunan) of Surakarta and the Sultanate Yogyakarta. Within those regions, which had emerged from the old Mataram Empire in 1755, there were two other small Princedoms, the Mangkunegaran and the Paku Alaman. The Mangkunegaran was established in 1757 from within the territory of Surakarta Sunanate, while the Paku Alaman emerged in 1812 from within the Yogyakarta Sultanate. See S. Nijland, Schetsen uit Insulinde. Utrecht: C.H.E. Breijer, 1893, p. 67; T.J. Bezemer, Beknopte Encyclopaedie van Nederlandsch-Indie.'s-Gravenhage: Martinus Nijhoff, 1921, p. 597.
to be a turning point for the tobacco industry in the regions that later became the three major tobacco-growing centres of the Dutch colony, namely the Principalities, Besuki (East Java) and Deli (East Sumatra). At that time there were also many other peasant producers of Java-\textit{krosok} tobacco in areas such as Kedu, Rembang, Kediri, Lumajang, and elsewhere. There were significant differences between the three major regions, however - and between all of them and the Java-\textit{krosok} tobacco-growing areas - which made the nature of the industry in each region different in quite important ways, as we shall see in due course. But if we are to understand why they later differed so significantly, the socio-economic environment and the historical development of each of them needs first to be clarified.

In this chapter the development of the tobacco industry in the Principalities during the period 1860-1915 is examined and also its impact upon the economy and society of the peasants. Tobacco cultivation was developed as a large-scale plantation crop much later than other cash crops such as coffee, indigo, and sugar cane. Unlike in the Dutch directly-ruled regions, cash crop cultivation in the Principalities was carried out by Dutch private planters from early in the 19th century. It is necessary to understand first, however, how plantation agriculture had developed in other parts of Java, as well as in the Principalities, in the earlier decades of the 19th century before we look in detail at the emergence of the tobacco industry in the second half of the century.

\textbf{Plantations in Java prior to 1870}

Until the mid-19th century, cash crop cultivation in the Dutch-ruled parts of Java, was basically monopolised by the Dutch government, although a few private planters were gradually allowed to operate independently in the 1850 and 1860s. The Cultivation System (1830-70) was characterised by the increasingly intensive involvement of the peasants’ land and labour within the framework of government-controlled production activities, in which the peasants were required to grow certain obligatory cash-crops

\textit{Java-krosok} was lower type of tobacco usually grown by the peasants between April and July. In contrast to \textit{bladtabak} which was grown by estate on August-November.
(tanaman paksa) on one-fifth of their land, or else undertake compulsory labour services. It also involved a system of crop payment (plantloon) which resulted in a considerable increase in the amount of money in circulation.⁴

The involvement of Dutch private entrepreneurs in the Cultivation System occurred gradually in the 1850s, but became substantially more important after the 1870s. This aspect of the Cultivation System, revolving around the long-running debates about whether a state-dominated system of compulsory production should be maintained or a system of Dutch private enterprise allowed to develop, has been of major interest to scholars ever since then, with studies being conducted by Van Soest, Pierson, Clive Day, Colenbrander, Gonggrijp, and Fasseur to mentioned the most prominent.⁵ According to Fasseur,⁶ all his predecessors could be classed as liberal doctrinaire advocates of private enterprise rather than of government organization of production; and all followed very much the view of Van Soest who saw the Cultivation System in a very critical light. Van Soest and his followers regarded the private planters as crucially important in generating the main source of revenue for the mother country.

But in recent years other studies of a less doctrinaire and more balanced character have been carried out by, for instance, Van Niel and Elson on the sugar industry in

---

⁶Ibid., p. xiii.
Pasuruan, Knight on the same industry in Pekalongan and Fernando on the rural dynamics of several cash crops cultivation system in Cirebon. Their aim has been to provide better descriptions of the implementation of the Cultivation System and of the regional-level rural dynamics of agricultural organization in general. These writers pointed out that significant social and economic changes were occurring in the sugar-growing areas under the Cultivation System. The crop payments paid by sugar factories to the peasants increased the use of money in surrounding areas and raised the purchasing power of the peasant community there. New types of jobs developed, such as carters, for example, as did new labour relationships between the newly emerging class of rich landowners and the landless laborers, so that a landless class was also being created to serve as a rural labour force.

Long before tobacco cultivation was first undertaken by the Dutch in Surakarta in 1858, other commercial crops like coffee, sugar and indigo had been cultivated as important commodities in the government-controlled areas of Java. Sugar cultivation had been widely practiced in Java on a small scale in the 17th and 18th centuries, being grown initially in the districts surrounding Batavia from as early as the 17th century, and later also in the lowlands between Sidoarjo, Jombang, and Mojokerto areas and Pasuruan residency. But its most dramatic phase of development occurred in the 1830s and 40s, when it became became a key element in the Cultivation System. In the course of the development of the sugar industry over the next hundred years, a form of symbiotic

---


8G.R. Knight, “The Peasantry and the Cultivation of Sugar Cane in Nineteenth Century Java. A Study of Pekalongan Residency, 1830-1870,” Paper for Presentation to the Conference on Indonesian Economic History in the Dutch Colonial Period, the Australian National University, December 16-18, 1983.


10Elson, op.cit., pp. 64-66.
A relationship was established between the Javanese and Dutch participants in the production process. The Javanese provided the land and labour while the Dutch contributed the organizational skills, technology and capital needed to produce the commodity in increasing quantities and sell it the international market. Sugar later formed the financial basis for the expansion of a great deal of Dutch plantation enterprise in Java between the 1870s and the 1930s. But it was not until the 1870s and 80s that it ceased to be a government-controlled system of production and was taken over by large-scale Dutch plantation companies. Tobacco cultivation, on the other hand, was attempted for only a few years under the Cultivation System in the 1830s by a few private Dutch tobacco planters who were allowed to cultivate it in several areas like Rembang and Besuki, but these experiments were not very successful and tobacco cultivation did not go very far until after the Cultivation System was abolished.

Although the government controlled the tobacco industry in the period prior to the 1850s, tobacco production was basically carried out by the Javanese peasants. In the tobacco-growing areas, the government hired the peasants' lands for cultivation of tobacco through the intermediary of a contractor. The peasants grew the tobacco and sold it green to the contractor, who then processed it and later supplied 50 per cent of the dried tobacco to the government at a fixed price. He was allowed to keep the rest to sell on the open market. The contractor had to pay a land rental to the peasants which was relatively small, but did provide the peasants with some cash income.

If we compare the organization of production in the tobacco industry with that of

---

11 Tobacco cultivation experiments had been conducted by tobacco planters in various parts of Java in the 1830s including Semarang, Jepara, Bojonegara and Tuban. Until 1855, tobacco was entirely under the government's control due to its profitability, although private capitalists had been for many years urging the government about the importance of sharing the business with them. See K. W. van Gorkom, De Oost-Indische Cultures, in betrekking tot Handel en Nijverheid. Vol. II. Amsterdam: J.H. de Bussy, 1884, pp. 128-133; H. Blink, Nederlandsch Oost-en West Indie: Geographisch, Ethnographisch, en Economisch Beschreven. Leiden: E.J. Brill, 1905. Vol. I, p. 502.

12 In order to improve the quality, officials were sent to Cuba to study the techniques and methods of dealing with tobacco cultivation. The results seem not to have been very satisfactory, since the tobacco industry made little progress until about the 1850s. Blink, Ibid.

13 The following account is based largely upon Blink, Ibid., pp. 501-505.
the sugar industry at that early stage, we find that the contractors in the former case recruited the peasants on behalf of the Dutch government, whereas in the sugar industry the mill made contracts for cane production directly with the peasants. In fact, there were two levels of contract in the sugar production for quite separate aspects of the process. One level of contracting was between the local administration and the villages, which had as its purpose arranging for the planting of sugar cane on sections of the village lands, for the tending of the cane, and (at least in the early years) for the transportation of the cane to the factories. The other level of contracting was between the local administration, as represented by the Dutch officials, and the sugar mill operator (manufacturer) who, with government loans, was to build the mill, process the cane, and deliver sugar at a stipulated price to the government. In the tobacco industry, however, unlike the sugar industry, the Dutch government provided the contractor with nothing except a licence to take part in the government-controlled industry. The profitability of the industry and, at the same time, the costs of production were low, which made the industry a source of considerable corruption.

In the second half of the 19th century, Dutch private planters were very successful in extending their agricultural activities in Java. In the 1860s and 70s, the Dutch private tobacco planters came to dominate the production and export of that crop in what later became the three main centres of estate tobacco cultivation, the Vorstenlanden, Besuki and Deli (East Sumatra). Prior to the 1870 Agrarian Law, Dutch government policy had tended to discourage private enterprise in the directly-administered regions of Java, in order to maintain its monopoly over the most profitable cash crops, especially sugar and coffee. Tobacco, however, had been abandoned as one of the Cultivation System crops long before then. In the period prior to 1860, however, there were only a few private Dutch agricultural estates which grew export crops. It was for this reason that the private

15 Fasseur, op.cit., p. 138.
16 The contribution of private tobacco planters to tobacco exports gradually became so significant that by 1861-62, out of 62,000 baal produced in those areas only 11,000 baal came from government-controlled areas. Ten years earlier, practically all the tobacco exported was grown by the government. KV, 1851, p. 70; 1863, p. 176.
Dutch entrepreneurs began to demand the abolition of the Cultivation System in the 1850 and 1860s. The main group of private plantation-owners, both Dutch and Chinese, were to be found on the so-called *particuliere landerijen*, mainly in the *Ommelanden* surrounding Batavia, or the Pemanukan and Ciasem lands or the *Oost-hoek* in East Java in the Surabaya-Pasuruan region, where the situation was rather exceptional, since they belonged in a different category of plantation enterprise altogether. In these lands, the titleholders of the land, usually Chinese, grew cash crops and sold them to the Dutch to be exported to international markets. The Javanese living on the *particuliere landerijen* tended to be exploited by the Chinese and for this reason some of the private lands in Java were repurchased by the Dutch government in the late 1880s. But in general, there was no one common pattern of activities or origins of Dutch plantations prior to 1870.

Some were the left-overs from the 1815-1826 attempts by Niehuys to encourage Dutch enterprise on a very small scale in the Principalities, others from Raffles' sales of *particuliere landerijen*, while a few were the exceptional private contractors permitted to operate alongside the Cultivation System.

In the period from the 1830s to the 1860s, the crops raised under the Cultivation System in various regions of Java shifted backwards and forwards from one particular crop to another. Initially, all kinds of crops were attempted in the 1830s, but neither indigo, tobacco, and tea worked at all well for very long. This was partly due to the fact that, as Day mentioned,

"In putting the System in operation the government had necessarily to proceed on a general, more or less abstract, plan. In assuming the responsibility of production, it centralized the management of it..."

---


and treated the country almost as though it were a gigantic checker-board to be laid out in squares of tea, coffee, sugar, indigo, and pepper. ... the experience to be gathered from the history of the crops which were already grown in Java was insufficient to guide the government in extending their cultivation, and in directing the planting of new and untried crops the government was thrown entirely on its own resources.”

The same generalisation could be applied to the sugar industry, as reported by the Governor General in 1834:

“The sugar cultivation was accompanied by a succession of disappointments, caused chiefly by lack of knowledge, a poor organization of labour, and an injudicious selection of the location for the main sugar factory. Many factories had at hand neither a sufficient extent of good land nor woods for the supply of fuel; no roads were laid out through the sugar-fields, and the cane had to be carried to the mill by the laborers themselves. The results were losses for the manufacturer and pressing hardships for the cultivators.”

This quotation may have been true of the earliest years of the System in the 1830s. Yet, by the 1840s, coffee and sugar were proving the most successful crops and became the main sources of the mother country’s revenue. In the 1850s, the private planters were beginning to demand more opportunities to engage in sugar cultivation and were calling for the abolition of the Cultivation System. Experiments with the introduction of new crops were sometimes made on such a small scale or under such conditions that the villagers were not seriously affected by them. In cases where the experiments failed, the government itself lost money. The crops that formed the mainstay of the System in the later period achieved their position only at the cost of a great number of failures. In the case of coffee, such crop failures were numerous but not too serious for the welfare of the

---

21 ibid., p. 261.
22 The financial profits obtained by the Netherlands from coffee and sugar cultivation in the 1840s were fl. 64,826,679.- and fl. 4,136,060.- respectively. In that period, coffee was far more profitable than sugar and all the other cash crops. The total profit obtained by the Netherlands from cash crop cultivation in the 1840s was fl. 74,398,471.-; Fasseur, op.cit., p. 20.
population, as this crop was ordinarily grown in upland areas that had not been used before for food crops by the natives. On the other hand, sugar and indigo displaced native food crops, and therefore imperilled even the existence of the people concerned when those ventures turned out badly.\textsuperscript{23}

The year 1848 was a turning point in Dutch colonial history, as it marked the beginning of major reforms of colonial policy through parliamentary channels in the Netherlands. The 1850s became the transitional years for the Cultivation System, as pressures to end it built up in both Java and Holland.\textsuperscript{24} The liberal tendencies in Holland were strong enough to exert some influence over the reconstruction of the principles on which the colonial government was to be carried on. In respect to the Cultivation System, as Day puts it,

\begin{quote}
"...the colonial constitution of 1854 gave a true expression of the state of feeling at the time, a mixture of ideas in which the desire to further the fiscal interests of the home government struggled with the desire to extend the chances of European planters in Java and to protect the natives against oppression."\textsuperscript{25}
\end{quote}

In the 1860s, the Liberals achieved their triumph when they were appointed to the Colonial Office. In 1862, Thorbecke, a Liberal professor, regained power when he was appointed as Minister of Colonies and he appointed Van de Putte, a progressive businessman, as Deputy Minister.\textsuperscript{26} Van der Putte had an advantage over Thorbecke in his personal acquaintance with European planters in the Indies. This brought Van de Putte into ministerial office in 1866 when a quarrel among the Liberals occurred after they had ach-

\textsuperscript{23}Day, \textit{op.cit.}, pp. 262-263.
\textsuperscript{24}\textit{bid.}, pp. 326-342.
\textsuperscript{25}\textit{bid.}, p. 340.
\textsuperscript{26}Furnivall, \textit{op.cit.}, p 162.
ieved control over the fortunes of the Indies. The milestone decision made by Van de Putte in the agrarian history of the Dutch in the Indies was the issuance of the 1870 Agrarian Law. This Law attempted to provide for the expansion of private enterprise. In effect, it was a law to make land and labour freely available for capitalist enterprise. Van Hoevel saw it, on the other hand, as a measure to regulate State cultivation, while Van de Putte purported to give both capitalist and cultivator full and free disposal of their land by converting communal possession into private ownership.

Plantations in the Principalities 1800-1870

The development of plantation agriculture in the Principalities was substantially different from that in the Dutch directly-ruled parts of Java. The works of scholars on the Principalities such as Rouffaer, Jonquiere, and Simon have contributed valuable information about legal as well as social and economic aspects of the society in this region. Jonquiere was of the opinion that the cash crop cultivation carried out in the Principalities was basically similar to the Cultivation System, in that it tended to impoverish the peasants involved in cash crop cultivation; he challenged the statements of Dutch planters who argued that the poverty of the peasants in the cash-crop growing areas was caused by the rural elite. Rouffaer, an expert on adat-law, took a more moderate position, neither blaming the Dutch government nor saying much about peasants' impoverishment. Contrary to Jonquiere, Simon, a government official attributed the causes of impoverishment of the peasants to the traditional agrarian system, namely the apanage sys-

27 When the 1864 Account Law (Comptabiliteitswet) gave the Liberals control over the future of the Indies, there were three issues for further progress: the abolition of state cultivation, the expansion of free enterprise, and the adjustment of the tariff. Friction among the Liberals was also due to the fact that there were three distinct lines of Liberal thought, namely doctrinaire men like Thorbecke, humanitarians like Van Hoevell, and practical men of business like Van de Putte. Ibid., p. 163.


29 {Jonquiere,} "Kort...." op.cit., p. 91.
tern, which he regarded as an old-fashioned and exploitative system. Rouffaer was a Dutch official assigned to Surakarta as assistant to the Resident in 1907-1914, while Simon was assigned as Controleur in Yogyakarta in the 1910s. As a government official, Simon expressed his ideas with an obliqueness that was understandable, because accusing the Dutch government could have meant endangering his carrier as a civil servant. On the other hand, Jonquiere, a knowledgeable scholar on the Principalities, regarded the Dutch planters and the apanage holders both as the main cause of the peasants’ impoverishment. His statement was based on a deep knowledge of the Principalities, which led him later to become Resident in Yogyakarta from 1919 to 1924.

Cash crop cultivation in the Principalities, unlike in the Dutch directly-ruled parts of Java, where the cultivation of cash crops was basically controlled by the government, especially under the Cultivation System, was in the hands of the private planters from the beginning. Any Dutchman who wanted to rent a plot of agricultural land from the Sunan or Sultan could do so fairly easily. In the earliest decades of the 19th century, there were quite a lot of land rental contracts, mostly for relatively small areas of land, made by the rulers of both Surakarta and Yogyakarta.

Table 2-1: Land-rental Contracts in Surakarta and Yogyakarta: 1815-1820

<table>
<thead>
<tr>
<th>Year</th>
<th>Surakarta</th>
<th>Yogyakarta</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chinese</td>
<td>Dutchmen</td>
</tr>
<tr>
<td>1814</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1815</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1816</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>1817</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>1818</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>1819</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>1820</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>1821</td>
<td>63</td>
<td>27</td>
</tr>
</tbody>
</table>

Table 2-1 shows that there was more land rental in Surakarta than in Yogyakarta during the period prior to the Java War, although the practice of land rental had started relatively earlier in Yogyakarta than in Surakarta. The interest of Dutchmen as well as the Chinese in renting land in Surakarta peaked around 1820-21, whereas in Yogyakarta this happened earlier, in the second part of the previous decade.\(^{30}\)

Land-use in the Principalities was managed in a way commonly known as the apanage system. All land in the Principalities belonged both in theory and in practice to the rulers, who allotted some parts of it, called the apanage land, to Royal family members or Royal officials (\textit{patuh}) and lower officials. Because the \textit{patuh} were not allowed to reside in the countryside, they had to assign the task of carrying out production activities to a subordinate official, the \textit{bekel}.\(^{31}\) For these production activities, the \textit{bekel} had to recruit peasants as cultivators of the land. According to this arrangement the \textit{patuh}, \textit{bekel}, and the peasants were entitled to retain 40 per cent, 20 per cent, and 40 per cent of the produce respectively.\(^{32}\)

The occupation of apanage land by Dutchmen worried the Dutch government in Batavia, hence Governor General Van der Capellen ordered a stop to the further acquisition of land by a decree dated 6 May 1823, which required the return of some of the rented land to the \textit{patuh}.\(^{33}\) This meant that the apanage land holders had to repay the rental-money advanced to them. Because this was not an easy task for them, or even for the Yogyakarta Royal family members, this requirement was one of the main factors leading to the Java War in 1825. This war, waged by Prince Diponegoro in protest against various hardships and abuses arising out of those rental contracts and their sudden can-


\(^{31}\)The main task of the \textit{bekel} was to collect taxes in the apanage lands. In order to carry out this tasks, he had to organize agricultural production by recruiting laborers, called \textit{kulis}. Apart from these duties in the apanage lands, he also, in most cases, functioned as the village-headman. Soepomo, \textit{De Reorganisatie van het Agrarisch Stelsel in het Gewest Soerakarta}. 's-Gravenhage: L. Gerretson, 1927, pp. 11-12.

\(^{32}\)The details of the system can be found in Jonquiere, 1918, ibid., and Simon, 1918, \textit{ibid}.

\(^{33}\)Jonquiere, \textit{ibid}.; Simon, \textit{ibid}.
cellation, was supported not only by the disgruntled *patuh* of Yogyakarta but also by some of the *patuh* from Surakarta and other areas in Java.

After the Java War, these two self-governing regions of Java were forced to become in effect the vassals of the Dutch colonial government. Although the system of indirect rule implemented by the colonial government in the Principalities enabled the ruler to maintain his traditional status and symbols of office, he was at the same time subjected to supervision by a Dutch official, the Resident, who was assigned to each of the courts of Surakarta and Yogyakarta. In the 1870s, a reorganisation of the Dutch administrative machinery was carried out, under which an Assistent Resident was installed in every Kabupaten in Surakarta. This deeper concern by the Dutch government was due to the fact that Surakarta region was by then beginning to become much more important as a source of revenue for the mother country in terms of its ability to produce cash crops for the international market. In 1856 for example, sugar production in Surakarta was about 30,000 *pikols*, coffee production was about 50,000 *pikols*, and indigo produce was 11,000 pounds. By 1877, the sugar production was eight times higher, coffee had more than doubled, but indigo increased only about 10 per cent. In 1860, tobacco production was 450,000 pounds and by 1877, it had quadrupled.

The land needed by the Dutch planters in the Principalities was rented either directly from the Sunan or through the *patuh*. The planters found the apanage system convenient to their interests for the purpose of raising annual cash crops in the lowlands, since it provided a means by which cheap land and labour could be made available. In this respect, therefore, the traditional apanage system was retained in the Principalities, although strong criticisms were directed against it by Dutch officials. It should be remembered, however, that the Cultivation System was not implemented in the Prin-

---

34 RA, 1874.
35 KV, 1857, p. 116; 1861, p. 191; 1878, Appendix XX and YY.
36 As early as the 1850s, Van Nes, the adviser to the Principalities had suggested that a reorganisation be carried out in these regions as in other parts of Java. See Sujatno Kartodirdjo, "Revolution in Surakarta 1945-50: A Case Study of City and Village in the Indonesian Revolution." Unpublished Ph.D. Thesis, the Australian National University, 1982, p. 7.
cipalities, although what was practiced by the Dutch planters in their dealings with the peasants was as oppressive as the Cultivation System, according to the Dutch controleur, Jonquiere.37

The contracts between the Sunan or patuh and the planters covered not only agricultural land but also included the settlement areas.38 Because this kind of contract offered the planters relatively fertile arable land as well as the labour to work it, the situation of planters in the Principalities was radically different from that faced by the planters in East Sumatra at that time, where they simply rented vacant lands from the Sultans of Deli and Langkat and the labour had to be recruited from China or other places. In the relatively sparsely populated areas in East Java, too, as in Besuki, Dutch planters also found almost empty land, so that great efforts had to be made to attract the labour needed to start the industry.

The planters were mainly interested in high value annual cash crops which could be sold on the international market, although local food crops such as rice, corn, and cassava were also grown as a minor part of the production cycle. The planters made efficient use of the apanage system, utilizing the authority of the rural elites not only for mobilizing laborers but also to serve as overseers at the lower levels of the industry. The bekel as well as the peasants were given opportunities to cultivate unoccupied land for a certain season as a form of renumeration for the labour they put into the cash crop cultivation. The apanage system enabled the planters not only to acquire cheap land and labour but also to maintain substantial support from the rural elites.39

37 [Jonquiere,] "Kort...," loc.cit.
38 In 1872, for example, G.L. Dorrepaal, E. Casper and K. Lichte rented 514 bouws of land in Wedi, of which they used 122 bouws to grow indigo and tobacco. The remainder of the land was mainly used for building dwellings, smoke-houses, sorting sheds and an indigo factory. This was also the case in other areas of rented land such as Gayamprit, Trucuk and Ketandan. KV, 1873, Appendix MM.
39 The success of the industry in the Principalities, as explicitly stated in the Colonial Report, was due to the cooperation of the Javanese peasantry. But this was no doubt dependent upon the pressure applied by the Sunan, the patuh and their representatives. KV, 1867, p. 170.
Initially, these private estates were quite small and were intended as not much more than country retreats for the Dutch, but by the 1820s an interest in growing cash crops was developing. In Surakarta, coffee was the most important crop grown during the early stages of cash crop cultivation in the first half of the 19th century. By 1832, there were 26 parcels of land planted, mainly with coffee, totalling 2.5 million trees altogether, while a million new trees were planted in that year. Other crops planted in these private lands were paddy and root crops for local consumption as well as for sale. By 1856, there were 12 parcels of land in Surakarta and 7 parcels in Yogyakarta producing mainly rice for the domestic market. But by the 1850 and 60s, the interest of the planters was shifting from domestically marketed goods towards the international market.

The early development of cash crop cultivation in the Principalities was carried out by individual Dutch planters on a very small scale, embracing a variety of crops. Coffee was grown sometimes with pepper and cocoa, while indigo was planted at the same time with sugar or, from the 1860s, tobacco. Perennial crops such as coffee had a relatively constant area planted, while annual crops such as sugar, indigo, and tobacco tended to fluctuate. The rapid development of major cash crops in Surakarta in the 1860s, namely coffee, sugar, indigo, as well as tobacco, can be seen from Table 2-2.

The apanage system was retained until the first decade of the 20th century, due to the fact that in addition to providing cheap land and labour to the Dutch planters, it also benefited the patuh and the Sunan through the various payments and deliveries which they obtained. In this regard, there was basically a triadic relationship between the Sunan, the patuh and the Dutch planters. The Sunan, as the ultimate owner of all land in Surakarta, made the apanage land available to the patuh as salary. In return, the patuh were required to deliver cash and goods to the Sunan, and, whenever apanage land was

---

41“Residentie Soerakarta,” 1822. ANRIJ.
42“Statistiek Beschrijving van Soerakarta 1832,” ANRIJ.
Table 2-2: The Production of Coffee (in Pikols), Sugar (in pikols), Indigo (in Ponds), and Tobacco (in Ponds) in Surakarta, 1861-1867

<table>
<thead>
<tr>
<th>Year</th>
<th>Coffee</th>
<th>Sugar</th>
<th>Indigo</th>
<th>Tobacco</th>
</tr>
</thead>
<tbody>
<tr>
<td>1861</td>
<td>82,273</td>
<td>89,402</td>
<td>54,718</td>
<td>174,838</td>
</tr>
<tr>
<td>1862</td>
<td>77,518</td>
<td>93,542</td>
<td>44,806</td>
<td>451,305</td>
</tr>
<tr>
<td>1863</td>
<td>83,837</td>
<td>90,919</td>
<td>65,194</td>
<td>584,077</td>
</tr>
<tr>
<td>1864</td>
<td>56,319</td>
<td>63,470</td>
<td>82,391</td>
<td>1045,152</td>
</tr>
<tr>
<td>1865</td>
<td>105,253</td>
<td>96,709</td>
<td>86,674</td>
<td>945,996</td>
</tr>
<tr>
<td>1866</td>
<td>98,095</td>
<td>92,779</td>
<td>97,765</td>
<td>1014,415</td>
</tr>
<tr>
<td>1867</td>
<td>117,675</td>
<td>79,910</td>
<td>105,807</td>
<td>822,086</td>
</tr>
</tbody>
</table>

Source: "Statistiek der Residentie Soerakarta," 1863; 1867, ANRIJ.

Rent to a planter, a certain portion of the rental money had to be delivered to the Sunan also. Since the apanage land was the main source of income to the patuah, the planters soon became the main source of cash needed to meet the Sunans' demands. In the course of the development of agricultural industry in the Principalities, there were a lot of complaints from the planters regarding the increasing demands of the patuah for both cash and goods. In dealing with this problem, the Dutch planters urged the Dutch officials at the court to do something about it, usually proposing that they either persuade the Sunan to reduce the rental money or that they urge Batavia to legislate to enable the planters to gain longer-term land leases. The available evidence provides no information that they were successful on the first count, but with regard to the second proposal there are strong indications that the Dutch government favoured the planters' interests.44 The strong backing of the Dutch government partly explains the flourishing growth of agricultural industry in the Principalities after 1870.

44In 1827, for example, the General Secretary Du Bus declared that the land rental period was for a fifteen year term. Thirty years later, this was extended to twenty years. In 1884, the twenty year term was not only retained but an estate area of 200 bouws was declared by the Dutch government. Ten years later, a thirty year term was granted. These government decrees were implemented by the Dutch planters with the support of Dutch officials in the Principalities, undermining the Traditional Law of the Sunanate. As a reaction, in 1891, the Sunan declared that extensions of land rental should be no longer than ten years, and the assessment of rental money had to be undertaken in the Vizier's office. Thus, in the contract between the planters and the Sunan, the planters frequently ignored traditional law and imposed the Dutch laws. This led to many conflicts between the patuah and the planters. See Soepomo, op.cit., pp. 40-42.
In late 19th century Java more generally, specialization in cash crops production was matched by the emergence of corporate companies which gradually replaced individually-owned estates. In 1868, out of 121 estates operating in Surakarta, 84 estates (almost 70 per cent) were individually owned, while about 30 years later, in 1900, out of 133 companies there were 72 estates (54 per cent) controlled by corporate bodies.\(^{45}\) In 1884, the Dutch government recommended that the planters conduct their activities in a more business-like manner by imposing a minimum planted area of 150 bouws. The emergence of hired managers is also a sign of the higher degree of specialization in managing the estates around this time. In 1877, the position of manager (administrateur) was officially mentioned in the Government Almanac (Regeering Almanak) for the first time, a fact which reflects the significant changes occurring in the history of agricultural industry in Surakarta in that period.\(^{46}\)

We will see in due course that one of the leading Dutch tobacco enterprises in the Principalities at Wedi was owned and managed at first on a small scale by several individuals or families. That situation did not change much until the 1880s or later, when Wedi became part of a larger corporate structure NV-KCM, the major Dutch tobacco company in the region over the next 70 years, and several corporate bodies began to develop in Klaten as the owners and later as managers of increasingly large plantations, sometimes reaching a size of 4-500 hectares by the 1890s. Heavy investment in these plantations became possible, as we shall see, because of the emergence of estate banks (cultuur banken). The general character of agricultural enterprises in Surakarta also began to change in the late 19th century. Whereas the region was a major coffee producer in the 1830s,\(^{47}\) it had became a major sugar-growing area 40 years later, on almost the same level as Java’s other great sugar-producing regions, such as Surabaya and Pasuruan. In 1871 for example, there were 24 sugar factories in operation in Surakarta with an area of

---

\(^{45}\) KV, 1881, Appendix AA; RA, 1901, Appendix CC.

\(^{46}\) See for example RA, 1877, pp. 305-311.

\(^{47}\) At that time, Surakarta was able to produce 17,000 pikols of coffee, but the planting of sugar had not yet become a significant factor in the region. “Residentie Surakarta,” 1832. loc.cit.
about 5,000 *bouws* of land. This great achievement was maintained until the 1920s, when a great expansion occurred to around 15,000 hectares, although in the following decade the sugar industry collapsed and only partially recovered in the late 1930s. But in order to understand the position of cash crops alongside food crops in an agricultural area such as Surakarta, as well as their impact upon the society and the economy of the peasant, it is necessary to obtain a general picture of the geographical background, the agricultural processes involved and the social setting in the region.

**Surakarta Residency Between 1860 and 1915**

**The Geographical Setting**

In the 1850s, Surakarta Residency (Karesidenan) was divided into three divisions (*afdeelingen*): Pajang in the west, Sukowati Kulon in the north, and Sukowati Wetan in the east. By 1902 when the administrative machinery became more fully developed, the division of this region had become much more elaborate, with five divisions (kabupaten) or regencies, namely Surakarta town proper, Klaten, Boyolali, Sragen, and Wonogiri (See Map No. 1: Surakarta Residency). The transportation network was still fairly rudimentary until the railway network was developed in the Principalities in the 1870s, although it was already important for the transportation of goods from one place to another. Apart from military roads, the Solo river connected Surakarta town and Surabaya. To the north, a military road connected Surakarta with Boyolali, Salatiga, and Semarang, while to the west it passed through Klaten and Yogyakarta to Magelang. To the east, this road connected Surakarta with Ngawi and Madiun through Sragen.

*Surakarta Karesidenan* contained some of the most fertile parts of Central Java, in Klaten and Boyolali Kabupaten, as well as two rather poor Kabupaten, Sragen and

---

48 In 1870, in the great sugar-growing regions of Surabaya and Pasuruan, there were 20 and 17 sugar factories working with 7,816 *bouws* and 6,070 *bouws* of land respectively. W.J. O'Malley, "Plantations 1830-1940: An Overview," Paper prepared for presentation at the Conference on Indonesian Economic History, the Australian National University, 16-18 December 1983, Table 1; KV, 1873, Appendix MM; "Arsip Surakarta 1877," ANRIJ.

49 R.A. 1902, p. 252.
Wonogiri. The soil fertility in Klaten and Boyolali was greatly enhanced by the volcanic ash from Mt. Merapi. However, other parts of the region were very infertile, consisting of rocky and poor soils in the south in Wonogiri, or on the slopes of Mt. Merapi in the western part of Boyolali and the north-western portion of Klaten. These parts of the Karesidenan were not only rice-importing areas during bad periods of drought, but were also the areas where corn and cassava were the most important staple foods. The soil fertility in Surakarta was also clearly related to the availability of irrigation water, the less fertile regencies being those which depended mainly or entirely upon rainfall. In most cases, two rice crops a year could be grown in the more fertile kabupaten, while in the less fertile areas a single rice crop was normally followed by second polowijo crop. In the 1830s, Surakarta had been one of the major rice-producing areas in Java and a net rice exporter to neighboring regions such as Yogyakarta, Ponorogo, Madiun, Salatiga, and Semarang, a state of affairs which lasted until the last decades of the 19th century. The exporting of rice was made easier after the 1880s by the extension of the road and rail networks to other regions such as Kediri and Surabaya.

Variations in land fertility among the kabupaten within Surakarta Karesidenan resulted not only in differences in their cropping patterns but also in diverse consumption patterns among the population. High yields per hectare of rice were obtained in the major tobacco-growing areas in Klaten Kabupaten such as Gayamprit. In addition, the variation in consumption patterns among the population explained the ability of the region to

52 Crops such as soya beans, maize, and groundnuts, which were grown during the east monsoon after the main rice crop are known by the Javanese term polowijo.
53 “Residentie Surakarta Bevolking,” Arsip Solo 52, ANRIJ.
54 “Algemeen Verslag der Residentie Surakarta, 1875,” ANRIJ.
55 “Algemeen Verslag der Residentie Soerakarta, 1885.” ANRIJ.
become a rice exporter in Java in the 19th century since not all the rice grown in the more fertile areas was consumed locally.\(^57\)

Klaten consisted of the southern slopes of Mt. Merapi on the north with alluvial lowlands in the middle portion, while the southern part was forested hills, as in Bayat Kecamatan, which today have become merely barren hills with very poor soils. In the northern part, coffee was the major cash crop, although other crops such as vanilla, cocoa and kapok were also grown, while in the lowlands rice and annual cash crops such as sugar cane and tobacco and indigo were grown. Corn was the main subsistence crop grown on the slopes of Merapi, while cassava was widely raised by the villagers in the less fertile land in the south.

The early stages of Dutch plantation enterprise in Surakarta prior to 1890 were characterized by experimentation with various crops on a rather small scale of production. In the case of tobacco, the most suitable soil for the crop was only found after several decades of experimentation since a very special type of soil was required in order to obtain high quality tobacco.\(^58\) This type of soil was mainly available in Klaten Kabupaten,\(^59\) which as a distinctive part of Surakarta Karesidenan benefited greatly from its proximity to Mt. Merapi. Its most significant advantage was mainly due to the continuous flow of young volcanic silt along the Woro river,\(^60\) which also benefitted Kalasan, Boyolali and Sukoarjo Kecamatan.

The agricultural land of several Kecamatan in Klaten Kabupaten, such as Wedi, Kebonarum, and Ketandan, comprised the most suitable portions of the lowlands in

\(^{57}\)The staple food of the population of non-irrigated parts of the Karesidenan was corn and dried-cassava \(\text{(gaplek)}\). Hence, the rice surplus in the fertile parts of the region was both traded in the local market and exported to other regions such as Madiun and Yogyakarta. \textit{Ibid.}, p. 179.

\(^{58}\)Until 1930, for example, a soil map of the tobacco estate at Juwiring was yet available, although tobacco had been grown in the Juwiring Kecamatan since 1894. \textit{"Memorie Overgave CM. Djuwiring...1936"}, \textit{AKCM, ARADH}, Box No. 120.

\(^{59}\)D. Tollenaar, \textit{"Tobacco," Fourth Pacific Science Congress, Java 1929, Excursion D-3.}

which tobacco of high quality could be grown (See Map No. 2: Klaten Regency Java, Cash Crops Grown by Companies in 1890). Some other parts of Boyolali Kabupaten, namely Bangak in Banyudono Kecamatan and Trucuk Kecamatan of Klaten Kabupaten, used also to be very suitable for tobacco cultivation because of the flow of young silt ash from Mt. Merapi, but due to a shift in that flow in an easterly direction after the 1930 eruption the quality of the land there decreased drastically. This affected the livelihood of the increasing population of landless villagers in several of the tobacco-growing areas there.

Population

By the mid 19th century, the Principalities were already relatively thickly populated. A Dutchman travelling through Surakarta and Yogyakarta in the 1850s reported that along the 30-kilometer road between the town of Surakarta and Klaten there were 19 villages, on average about one per 1.5 kilometers, while between Klaten and Prambanan, on the Yogyakarta boundary, there were another 11 and between Surakarta and Yogyakarta there were no less than 7 post stations. After the 1850s, Sragen and Boyolali Kabupaten were the most developed areas, with 58,450 hectares and 50,147 hectares of agricultural land respectively while Klaten had only 23,577 hectares. But at that time, Klaten Kabupaten was more densely populated than the eastern part of Yogyakarta, such as Kalasan. There were then rice fields between the villages everywhere except in the western part of Klaten. The population of Klaten Kabupaten was estimated as 100,000 in 1845 whereas Kalasan Kabupaten to its west, with its sugar cane fields and a sugar factory, had a population of only 53,000.

During the years 1860 to 1920, the annual average rate of population growth in

---

61 *ibid.*


63 “Statistiek Residency Soerakarta 1867,” ANRIJ.

64 The population figure for Klaten Kabupaten advanced by Bleeker in 1850, presumably was a rough estimate, while in 1863, its population was reported as 75,000. Since the population figures of the 19th century are unreliable, we can only regard these as very rough indicators of probable orders of magnitude. Bleeker, *op.cit.*; “Statistiek...1867.” *op.cit.*
Map 2-1: KLATEN REGENCY JAVA
CASH CROPS GROWN BY COMPANIES IN 1890’s

NAME OF KECAMATANS
01 PRAMBANAN
02 GANTIWARNO
03 WEDI
04 BAYAT
05 CAWAS
06 TRUCUK
07 KOTA KLATEN
08 KEBONARUM
09 JOGONALAN
10 MANISRENGGO
11 KARANGNONGKO
12 KETANDAN
13 CEPER
14 PEDAN
15 KARANGDOWO
16 JUWIRING
17 WONOZARI
18 DELANGGU
19 POLANHAKJO
20 KARANGANOM
21 TULUNG
22 JATINOM
23 KEMALANG

- - - - - ROAD
- - - - - RAIL
Surakarta Karesidenan was higher than that of the whole of Java, 2.9 per cent per annum compared with 1.5 per cent over the period 1895 to 1905, and 1.7 per cent compared with 1.0 per cent between 1905 and 1920.65 This was probably due to the fact that, until 1880, coffee cultivation was attracting a lot of laborers from neighboring kecamatan and kabupaten. The growth of sugar plantations after 1880 meant that many more laborers were required both in cane cultivation and in sugar factories. Apart from the fact that the sugar factories in Surakarta Karesidenan were mainly located in Klaten and Sragen Kabupaten, the tobacco cultivation concentrated mainly in Klaten Kabupaten also required an increasing number of laborers. The population increase in Surakarta for the period 1860 to 1905 is shown in Table 2-3.

Table 2-3: Population Growth in Surakarta Karesidenan, 1860-1905

<table>
<thead>
<tr>
<th>Kabupaten</th>
<th>--1860--</th>
<th>--1905--</th>
<th>1860-1905 annual rate of pop.grth.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surakarta</td>
<td>55,186</td>
<td>251,663</td>
<td>0.9</td>
</tr>
<tr>
<td>Kartosuro</td>
<td>114,840</td>
<td>n.a.</td>
<td>...</td>
</tr>
<tr>
<td>Klaten</td>
<td>75,271</td>
<td>416,290</td>
<td>3.8</td>
</tr>
<tr>
<td>Boyolali</td>
<td>94,366</td>
<td>235,867</td>
<td>0.5</td>
</tr>
<tr>
<td>Ampel</td>
<td>89,411</td>
<td>n.a.</td>
<td>...</td>
</tr>
<tr>
<td>Sragen</td>
<td>58,807</td>
<td>270,775</td>
<td>3.4</td>
</tr>
<tr>
<td>Wonogiri</td>
<td>236,237</td>
<td>403,401</td>
<td>1.2</td>
</tr>
<tr>
<td>Total</td>
<td>724,118</td>
<td>1,577,996</td>
<td>1.7</td>
</tr>
<tr>
<td>Java</td>
<td>15,791,845</td>
<td>28,227,983</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Source: "Statistiek...1867," *op.cit.;* "Census 1905."

The high annual rate of population growth in Klaten and Sragen Kabupaten during this period must have been at least partly associated with the increasing employment opportunities available in both Kabupaten, thereby attracting an influx of laborers from elsewhere.

In the 1860s, Klaten, Boyolali, Ampel, and Sragen Kabupaten were still thinly populated areas, in comparison with parts of Kartosuro and the kabupaten in the neighbouring Mangkunegaran territory, such as Karanganyar and Wonogiri which were already quite densely populated. At that time, the available agricultural land in Klaten Kabupaten was mainly in the north, north-east, west, and south-west, whereas, the eastern and south-eastern parts of the Kabupaten, such as between Delanggu and the north-western area in Ponggok, and from Krapyak in the east of Delanggu up to the western part of Pengging in Boyolali in the north, as well as Karangdowo Kecamatan, were swampy lands (See Map No. 1: Surakarta Residency). With a relatively small population. Various projects such as irrigation and flood control undertaken by the Dutch planters for the growing of cash crops also had the effect of opening up more arable land for the Javanese.

From the fact that the agricultural lands occupied by the peasants during the mid-18th century amounted to no more than tiny holdings, one might argue that the small size of land-holding per peasant family was not a new phenomenon in the agrarian history in the Principalities. As we know from historical evidence, many holdings were already very small in the mid-19th century, long before land shortages became a problem because of population increase giving rise to landlessness in most villages. There are two possible explanations of this: firstly, the family plots were constantly subdivided each generation; secondly, it may have been the case, as Fernando has found in Cirebon, that the gogol or landowners (sikep in Cirebon) needed to keep some of the villagers landless or very poor to ensure a sufficient labour supply for their own needs. In the Principalities, the apanage system left the peasants as no more than virtual laborers on the apanage lands allotted to the patuh. After the agrarian reorganisation in 1917, the agricultural land throughout the Karesidenan of Surakarta was subdivided into peasant hold-

66 Van Alphen, op.cit., p. 281.
67 In 1907, for example, Ceper sugar factory constructed a seven kilometer irrigation channel from Ponggok spring to Ceper Kecamatan, known as the Kapilaler irrigation channel. Bt. 2 December 1907, No. 41. ANRIJ.
68 Fernando, op.cit., p. 358.
ings, but the amount of land received by each peasant family was very small, only two-thirds of a bouw.\textsuperscript{69}

Although detailed figures on population growth in Klaten and the other kabupaten are not available, we can make some tentative inferences about the population density and population growth from the data available on the number and size of villages. There are indications that the rate of population growth was generally higher after the 1860s in the cash-crop areas of the Karesidenan than in the others. (If that was the case, it forces us to reconsider the traditional view that the plantation system was simply burdensome, oppressive and exploitative for the villagers concerned, for we must conclude that people were moving into these regions rather than fleeing from them.) In the 1860s, the average population of villages in the newly developing tobacco-and sugar-growing areas in the more fertile low-lands was only about 20-30 people, as in Delanggu, whereas in areas such as Boyolali and Kartosuro, where the old coffee and indigo estates were situated, the population per village was twice that.\textsuperscript{70} (Boyolali had been an old coffee-growing area since the 1820s, while in Kartosuro there were major sugar mills such as Wonosari, Ceper and Kartosuro.) Klaten Kabupaten at that time appears to have been less thickly populated than the other kabupaten in the karesidenan, with only about 30 people, or six families, per village. But after the 1880s, we observe a much larger and denser population in Klaten, due presumably to the development of the region by the new sugar and tobacco plantations. Yet the amount of land seems not to have increased much; so we must conclude that the additional opportunities to earn a livelihood was attracting population into the Karesidenan.


Land Utilization

To grow a high quality tobacco, not only is a special type of soil needed, but also an appropriate climate, with adequate rainfall at the right times (shortly before the leaf is harvested). In Surakarta Karesidenan, apart from the areas with poor and rocky soil, much of the region is very fertile and suitable for tobacco and other cash crops. Surakarta Karesidenan has more than 20 rivers running through it and numerous springs, about half of them in Klaten Kabupaten, which can be used for irrigation purposes by constructing simple dams. In the other kabupaten such as Srangen and Wonogiri, the rivers are too deep for irrigation purposes, so the farmers have to rely solely on rainfall. This was also the case in the northern part of Klaten, such as Kemalang Kecamatan, and the southern part, Bayat Kecamatan. Hence tegalan was more characteristic of Srangen and Wonogiri regencies in the 1890s, whereas in Klaten sawah (irrigated land) was predominant.

The cropping patterns in the sawah areas of Surakarta were very different from those in the tegalan areas. In Klaten during the 19th century, paddy was normally grown twice a year on well-irrigated land. Land preparation and the planting of rice was done in September-October, The rice being harvested in February-March; a second crop was then planted in March or April of the following year. On land for which irrigation water was available all year around, paddy was normally grown twice a year. The cropping pattern in tegalan villages was paddy as the wet season crop, followed by polowijo in the dry season such as cotton, cassava, soya bean, groundnut and corn. This pattern was also usually applied by the peasants in the sawah villages where irrigation water was not available all year round.

As the population in Surakarta increased and the area under cash-crops grew, there was competition between them in acquiring land. In the period between the 1850s and the

---

72"Statistiek Beschrijving van Soerakarta, 1832," ANRIJ.
1870s, the area under annual cash-crop increased throughout Surakarta. In Klaten Kabupaten or example, the land occupied by cash crop enterprises such as in Kebonarum, Klaten, Ketandan, Gantiwarno, Wedi, Prambanan, Delanggu Kecamatan increased over the period. In 1859, for example, the amount of land rented to the tobacco and sugar plantations in Surakarta was 161,618 bouws, and by 1877 it had grown to 263,191 bouws. In 1924, after the Agrarian Reorganisation had been completed, the figure was 315,742 bouws, which comprised 43 per cent of the total arable land in Surakarta. Consequently, more and more sawah was being excluded from growing food crops. This situation as well as the population increase forced the peasants to open up the remaining waste land. The expansion of tobacco occurred mainly in the existing arable land which was normally used by peasants for growing rice crop; and the larger the area planted under polowijo over rice crop might be associated with the food requirements of the increasing population during 1916-1920 in Surakarta. The effect of the two combined processes occurring after 1860, namely the rapid population increase due to labour influx, attributable largely to plantations and the growing demand for land by plantations, had the effect of forcing the population to rely more and more on dry season crops rather than rice. People did not starve nor were they forced to migrate elsewhere, but they were not able to live at much more than a bare subsistence level.

73 In the 1860s, the agricultural land of Surakarta Residency totalled 231,698 bouws, consisting of 124,674 bouws of sawah and 97,024 bouws of tegalan. In Klaten Kabupaten at that time, the agricultural land covered 33,681 bouws, consisting of 20,622 bouws of sawah and 13,509 bouws of tegalan. The slopes of Mt. Merapi were then considered to be waste land. By the early 1870s, the Dutch planters in Klaten occupied 12,369 out of 20,622 bouws of sawah (or 60 per cent of the total). "Statistiek Soerakarta 1867, 1871." ANRIJ.

74 KV, 1860, p. 135; ibid., 1878, Appendix XX and YY.

75 In 1924, the agricultural land in Surakarta amounted the 740,815 bouws. KV, 1924, p. 36.

76 Landbouwatlas...1920, op.cit., p. 62-63.

77 In 1910, Jonquiere, reported that "the peasants in Surakarta were generally poor but they were able to feed themselves and had nothing." "Kort Geschiedkundig...," op.cit., p. 97.
Administrative Structure

Compared to the social and administrative structure in other parts of Java, that of in the Principalities was relatively backward, since the apanage system left no rights at all to the peasants over the land they cultivated. Land was allotted by the Sunan to royal family members, who were required, however, to reside in the capital, or to royal officials and lower officials. These lands were called apanage lands and the holder was called a *patuh*. Theoretically, the *patuh* had the right to exercise control over all the economic and social activities carried out on the land allotted to him; but as he had to live in the capital, those tasks were, in practice, transferred to the *bekel*. This system was maintained until 1917, when a new form of village administration was established as the lowest level of the traditional administration structure (see Chapter 4).

Most of the *patuh* were lower officials, who were allotted small-sized apanage lands of approximately five to ten hectares. There were a few higher-status *patuh* such as the Crown Prince, the Vizier and the Regents, who were allotted apanage lands of about 200 to 300 hectares, but they were exceptional cases. Considering the tiny amount of land which was managed by each *bekel*, therefore, one could guess how many *bekel* there were on the apanage lands allotted to the higher officials. It was not uncommon for the higher officials to be dealing with hundreds of *bekel* in the collection of taxes in kind or in cash payments, and in these cases intermediaries between the *patuh* and the *bekel* also emerged, called *demang*. The result inevitably was that the *patuh* were in no position to exert close supervision over the *bekel* or to ensure that they treated the villagers under their charge fairly.

The strength of the *bekels' position depended very much upon their ability to recruit the labour force (*kuli*) needed to work the land; the more such *kuli* (definable as either peasants or laborers) they recruited, the higher was their status and their bargaining power vis-a-vis the *patuh*. In the 19th century, each *bekel* in the lowland areas of

---

78 "Hishouding van den Soesoehoenan in 1889." Section XVIII, KITLV, Leiden.
Surakarta was usually able to recruit between two and five families as laborers,⁷⁹ while in the upland areas they would often recruit on a larger scale, up to eight to ten laborers.⁸⁰ *Bekel* can thus be considered basically as village headmen and labour recruiters in the villages. In the upland areas, where perennial cash crops such as coffee were usually grown, the work performed by the peasants mobilized by the *bekel* was rather extensive. On the other hand, in the lowlands where annual cash crops were grown, the work of the peasants was relatively labour-intensive. In order to get access to agricultural land at all for the sake of cultivating food crops, the peasants had to have the *bekel*’s consent. The amount of land they were allowed to occupy was about the same in both low-land and up-land, namely one *bouw* for every three or four laborers.

When the apanage land was rented by Dutch planters, the role of the *bekel* as a labour recruiter was maintained. The most fertile part of the rented land was usually devoted to growing cash crops, while a small part of the rest of the land was allotted to the *bekel* and the *kuli* as their recompense. The Dutch planters, therefore, found the apanage system a most convenient way of obtaining land and labour easily and cheaply, although in relatively small parcels, to produce cash-crops in demand on the international market. In effect, the Dutch planters had taken over the role of the *patuh* not only in controlling the *bekel* but also in making the payments of various traditional tributes to the Sunan both in cash and in kind.⁸¹ The only problem was that despite these advantages, the Dutch planters were frequently faced with constant demands from impoverished *patuh* for all sorts of additional cash payments (*bekti*). The *bekti*, which literally means homage, was supposed to be an initial suplementary payment, equivalent to ten per cent of the ten year contract. Because of these high *bekti* payments and more and more irregular deliveries and payments, Dutch planters later had to request the Resident to persuade the Sunan and *patuh* to reconsider the increasing additional payments

⁷⁹Buwalda, “Onderzoekingen...,” *loc.cit.*
⁸¹{Jonquiere,} “Kort Geschiedkundig...,” *loc.cit.*
Moreover, the planters also had demands made on them for additional payments during traditional festivals, such as marriages of member of royal families. Since the number of royal family members was large, the planters complained these payments were very burdensome. Consequently, the apanage system became increasingly unsatisfactory to all concerned by the end of the 19th century and it was finally abolished in 1917.
CHAPTER 3
Tobacco Companies in the Principalities and
Its Impact on Peasant Economy and Society: 1860-1915

In the first part of the 19th century, cash crop cultivation had been practiced by Dutch on rented land in Surakarta. Coffee and indigo were the major crops grown, not only on the upland areas such as in the northwestern part of Klaten on the slopes of Mt. Merapi, but also in the lowlands throughout the Karesidenan. The apanage system enabled the planters to obtain both the land and labour required for growing cash crops. In fact, the main cash crop then grown in this Karesidenan, namely coffee, was not only grown on rented land, but was also raised by the peasants in their pekarangan, called pager-coffee. In 1858, Dutch planters working in Surakarta conducted experiments in growing tobacco in the lowlands in Klaten Kabupaten. This experiment was extended into other areas in the following years. In the second half of the 19th century, tobacco and sugar cane gradually replaced indigo and coffee as the main crops grown in the lowlands of Surakarta Karesidenan. Indigo cultivation declined drastically around the end of the century, because of the decrease in demand in the international market, caused by the introduction of artificial dyes in Germany. Coffee growing areas was concentrated in the upland areas. This shift in the crop pattern was also matched by gradual changes in the organisation of the agricultural enterprises operating in Surakarta.

After 1890, tobacco production increased sharply, due to better organisational

---

1 Initially, in the early part of the 19th century, these estates were intended as little more than mere country residences for Dutchmen living in Solo, not as “plantations” in the modern sense. In the years after 1832, the attention of several Dutchmen had turned increasingly towards the growing of cash crops, not only coffee but also some annual crops grown in the lowlands like indigo, sugar, and later tobacco. “Statistische Beschrijving van Residentie Soerakarta 1823.” ANRIJ.
structures, more adequate provision of capital and higher demand in the international market. This achievement was also made possible by the determined efforts made by Dutch planters to produce the high quality cigar tobacco now in demand on the international market, which could only be achieved by thorough techniques and discipline in the tobacco cultivation. In this chapter, the emergence of tobacco companies and the cultivation techniques will be outlined, while the impact of this industry upon the society and economy of the peasant will also be examined (see Appendix C). The production figures for the major cash crops in Surakarta are shown in Table 3-1.

Table 3-1: Number of Companies and Production of Major Cash Crops in Surakarta, 1870-1907

<table>
<thead>
<tr>
<th>Year</th>
<th>Companies</th>
<th>Sugar (In pikols)</th>
<th>Coffee (In pikols)</th>
<th>Indigo (In kilo-gram)</th>
<th>Tobacco (In kilo-gram)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1870</td>
<td>160</td>
<td>130,011</td>
<td>94,473</td>
<td>80,564</td>
<td>28,460</td>
</tr>
<tr>
<td>1888</td>
<td>138</td>
<td>351,345</td>
<td>29,724</td>
<td>331,799</td>
<td>1,050,360</td>
</tr>
<tr>
<td>1893</td>
<td>141</td>
<td>427,185</td>
<td>8,904</td>
<td>223,139</td>
<td>1,254,272</td>
</tr>
<tr>
<td>1898</td>
<td>136</td>
<td>678,555</td>
<td>20,767</td>
<td>365,747</td>
<td>4,633,498</td>
</tr>
<tr>
<td>1903</td>
<td>119</td>
<td>905,632</td>
<td>13,088</td>
<td>302,789</td>
<td>5,559,253</td>
</tr>
<tr>
<td>1907</td>
<td>111</td>
<td>1,147,610</td>
<td>11,703</td>
<td>94,822</td>
<td>7,397,042</td>
</tr>
</tbody>
</table>


The Emergence of the Dutch Tobacco Companies, 1860s-1915

In the mid-19th century, the first tobacco plantations were relatively small-scale operations run by individual Dutch planters, generally as part of a diversified pattern of cultivation. In the period 1880-1890, however, a process of corporatization occurred as more and more plantations were joined together or taken over by companies which were much more heavily capitalized. Most plantations were only about 30 to 60 bouws in size in the 1850-60s, but by the 1890s, tobacco plantations of 400 bouws were quite common.

Tobacco for the international market was first grown by a Dutchmen in Jetis village, Klaten regency, in 1858. In the following years, tobacco cultivation was extended to
several other lowland villages, where indigo was still the main crop grown. Tobacco and sugar gradually replaced the area planted with indigo over the last three decades of the 19th century, until indigo totally disappeared from cash crop cultivation in Surakarta Karesidenan in the early 20th century. Two years after the introduction of tobacco, there were three estates growing it on a small scale, two with 10 and 30 bouws of land respectively, and the other with four bouws combined with vanilla, producing in total 66,554 pounds (1 pound equaled half a kilogram.) From then on the industry expanded steadily. By 1862, the number of planters operating in the industry had increased to 16, producing 451,305 pounds. The area planted in 1860 is unknown, but in the next two years 373 and 1,008 bouws were planted, with average yields of 468 and 447 pounds per bouw respectively, which were quite high at that time. The yields per hectare for tobacco varied considerably not only between the plantations but also within them, due to the variety of soil qualities of the land occupied in particular villages. By 1860, the range of yields ranged from 7 pounds per bouw on very poor and dry land to 1538 pounds on the most fertile land. In the 1890s, average yields on good land were around 2,000 pounds per bouw. The expansion of the tobacco industry in the 1860s was due in large part to the high prices then being offered on the international market. The increase of production as well as the price fluctuations over the period 1860-1920 are shown in the graphs in Figure 3-1 and 3-2.

3 KV, 1863, p. 193.
4 KV, 1863, p. 189.
5 KV, 1861, p. 193.
6 Production figures of this magnitude are documented in the archival material of AKCM, ARADH, Box No. 24.
7 KV, 1865, p. 199.
Figure 3-1: Average Production and Prices of Vorstenlands Tobacco, 1861-65 to 1921-25 (five year averages)

Source: Sumatra- en Java Tabak, Dentz & van der Breggen, Amsterdam, 1940.

Figure 3-2: Annual Production of Vorstenlands, Deli, and Besuki Tobaccos, 1860 - 1900

Source: Sumatra- en Java Tabak..., loc. cit.
Production of tobacco in Klaten increased steadily until the late 1870s, when the amount exported rose to 19,290 *baals* in 1876. Then there was a period of decline during the 1880s, followed by a recovery later in the decade. During the 1890s, production rose sharply, despite falling prices, and continued to increase remarkably up till World War II, by which time it was at a level nearly six times that of the early 1890s (see Figure 3-1). It is noteworthy, however, that production of Deli tobacco had an even more dramatic rise over the same period (Figure 3-2), as also did Besuki tobacco, to a lesser degree, which far exceed the output of Vorstenlands at that stage, although mostly of lower quality. The last years of the 19th century and the decade before World War I were the golden age of the Klaten tobacco industry, when an average annual export of 82,000 packs was recorded. The highest amount exported in any single year was 175,000 *baals* in 1913. Then followed a period of seriously interrupted exports during World War I, when the tobacco industry experienced very hard times owing to disruption of shipping to Europe and demand from Germany.

There were at first big fluctuations in the quantity of tobacco produced by these new companies in Surakarta in the 1860-1870s, due in part to shifts of interest on the part of the companies from tobacco to other crops from time to time. As mentioned above, most of these companies were engaged in rather diversified forms of plantation agriculture in those early years. Only gradually did they begin to concentrate on tobacco or sugar, in most cases after about 1900. During 1876-1892, the amount of tobacco produced by 53 tobacco plantations in this region is shown in Table 3-2.

Part of the reason for these fluctuations was the high degree of risk involved in the production at that time. Out of those 53 companies, only 10 succeeded in producing tobacco continuously throughout this period. The rest were not able to do so for various reasons, such as crop failures, diseases and pests.8

---

8Major crop failures were experienced on several occasions by several tobacco companies, such as Bogor and Widoroarjo in Klaten Kabupaten. In 1877 and 1879, for example, about three-quarters of the crop failed. *KV*, 1881, Appendix AAA.
### Table 3-2: Tobacco Production in Surakarta, 1876-1892

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (In kilograms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1876</td>
<td>588,404</td>
</tr>
<tr>
<td>1878</td>
<td>231,997</td>
</tr>
<tr>
<td>1880</td>
<td>805,123</td>
</tr>
<tr>
<td>1882</td>
<td>1,110,664</td>
</tr>
<tr>
<td>1884</td>
<td>390,096</td>
</tr>
<tr>
<td>1886</td>
<td>639,977</td>
</tr>
<tr>
<td>1888</td>
<td>1,050,360</td>
</tr>
<tr>
<td>1890</td>
<td>1,052,964</td>
</tr>
<tr>
<td>1892</td>
<td>1,385,592</td>
</tr>
<tr>
<td>1894</td>
<td>1,485,343</td>
</tr>
<tr>
<td>1896</td>
<td>2,872,581</td>
</tr>
<tr>
<td>1898</td>
<td>4,633,498</td>
</tr>
<tr>
<td>1900</td>
<td>5,716,467</td>
</tr>
<tr>
<td>1902</td>
<td>5,131,566</td>
</tr>
<tr>
<td>1904</td>
<td>5,020,145</td>
</tr>
<tr>
<td>1906</td>
<td>6,101,998</td>
</tr>
<tr>
<td>1908</td>
<td>9,255,120</td>
</tr>
<tr>
<td>1910</td>
<td>7,594,480</td>
</tr>
<tr>
<td>1912</td>
<td>12,464,800</td>
</tr>
<tr>
<td>1914</td>
<td>12,788,160</td>
</tr>
</tbody>
</table>


The last decades of the 19th century were marked by a process of gradual concentration of the plantation companies in the Principalities, which began in the 1880s and continued until the 1920-30s. At the end of 1877 there were 168 estates in Surakarta, and 54 in Yogyakarta. About 20 years later, in the 1890s, the estates in Surakarta had decreased to only 131 and in Yogyakarta. Until the 1890s, many of those estates were still owned and managed by individuals as well as corporate bodies.\(^9\)

After about 1910, tobacco cultivation in Surakarta was well over half in the hands of corporate bodies. In 1915 for example, out of 42 tobacco enterprises operating in Surakarta 34 (75 per cent) were managed by corporate bodies (See Map 3-1: Map of Vorstenlands

---

\(^9\)KV, 1878, Appendix YY; KV, 1894, Appendix HHH.

\(^{10}\)See KV, 1894, p. 222.
Map 3-1: MAP OF VORSTENLANDS TOBACCO PLANTATIONS IN THE PRINCIPALITIES IN 1912

PLANTATIONS NAMES:
1 NGAKES KOPEN
2 TEGALGONDO
3 MANANG
4 GAWOK
5 BAKIPANJEN
6 TEMULEU
7 SATRIAN
8 POLANHARJO
9 JUWIRING
10 NGUPIT
11 JONGGRANGAN
12 KETANDAN
13 TRUCUK
14 SRAGO
15 DEMANGAN
16 JIWO
17 WEDI-BIRIT
18 GANTIWARNO
19 PANDAN SIMPING
20 KEMUDO
21 JOCOSALAN
22 KEBONARUM
23 GEMAMPIR
24 GAYAMPRIT
25 GENENGSAI
26 BANJARAKJO
27 SOROGEDUG
28 WANUJOYO
29 BULUS
30 WRINGIN
31 TEMPEL
32 MLESEN
33 KEBONAGUNG
34 SONOSEWU
35 BATUJAMUS
36 KARANGGEDE
37 YOGYAKARTA CITY
38 MANJUNG
39 KEATEN TOWN
40 PRAMBANAN
41 SURAKARTA CITY
42 KARTASURA

Source: Hall and Van de Koppel, 1949
Tobacco Plantations in the Principalities in 1912). The process of gradual concentration of tobacco enterprises in Surakarta reached a peak in the 1920s. There had been about 35 tobacco companies in Surakarta Karesidenan in 1900, but by the 1920s, the number had fallen to about 20, which 16 of those were controlled by two companies.

The early history of the tobacco industry in Surakarta largely revolves around G.L. Dorrepaal and the various estates associated with the Cultuur Maatschappij, CM-Wedi-Birit (CM: Plantation Company). Wedi was one of the villages where tobacco was first grown in Klaten for the international market in 1858. Its owner, Dorrepaal, was the man who laid the foundations for the development of a strong tobacco industry in Klaten, making it efficient enough to compete alongside both Deli and Besuki tobacco on the international market. The Dorrepaal family, backed by strong financial connections with other families, was not only active in cultivating various cash crops in Klaten regency, but also successful in expanding its business into other regencies in both Surakarta and Yogyakarta. Already by 1868, this family group of estates was cultivating coffee, sugar, tobacco, and indigo on 14 estates in Surakarta, with three others in Yogyakarta.

By the late 1860s, Dutch planters were cultivating cash crops around both the foothills of Merapi and in the more fertile agricultural lowlands between Yogyakarta and Surakarta to the northeast of Candi Sewu. In the uplands, coffee was still the predominant crop, most of it on 60 Dutch estates growing more than 37 million trees in 1864, some of it also grown by peasants as pagger-coffee or tuin-coffee. In the lowlands of Klaten regency, 7 out of 16 plantations were purely indigo plantations, 4 were tobacco estates, 1 was a sugar estate, and the remaining four were mixed. In Wedi Kecamatan, just to the east of Gantiwarno, was the Wedi estate, owned jointly by Dorrepaal, J.P.

---

13 RA., 1868, pp. 221-227.
14 Ibid.
15 Ibid.
16 Ibid.
Lichte, and J.P. Caspers, which grew tobacco, as well as an indigo estate in Jiwo, a little to the south at the foot of the Jiwo hills, which was owned by C. Stralendorff. These estates were later to form the core area of the most important tobacco estates in Klaten.

Wedi estate, located five kilometers southeast of Srowot railway station, was administratively part of Gesikan sub-district in the late 19th century. There was a road network connecting the station with the plantations in surrounding villages, such as Gantiwarno estate, Jiwo, Wedi, and Birit, and along these roads the produce was transported to Srowot station and then to Semarang. Tobacco and indigo were the main products of this region. With the building of the railway line through Klaten in the 1870s, the transportation of commodities from those parts of Klaten to the international market was made much easier. Hence, the impact of the world economy upon the peasant societies directly involved in the industry became much more significant after that time. By the end of the 1870s, there were already five railway stations in Klaten regency, namely Prambanan, Srowot, Klaten, Ceper, and Delanggu, all playing an important part in transporting the commodities produced by the estates in this regency directly to the Semarang harbour, as well as in the distribution of imported goods to various parts of this area.

In the early 1870s, a series of changes of ownership occurred in this area, with Stralendorff selling out his interests and Dorrepaal acquiring control of Birit as well as Wedi, and later also taking over Jiwo as well in the 1880s. An unprecedented period of development occurred during the next few years. The organization of the company became more solid in 1875-77 with the expansion of Dorrepaal’s existing estates and the opening of a new one, Jonggrangan, which increased its (mostly area under indigo) about 50 per cent over the next two years. Meanwhile the area of indigo and sugar planted at Gondang Winangun more than doubled from 410 *bouws* to 963 *bouws*; and Pandan es-

---

18 “Jaarverslag NIS, 1891.” Leiden University Library Collection.
tate, which was previously owned jointly by Dorrepaal, Erven Casperz, and Lichte was wholly taken over by Dorrepaal. The same thing occurred at Wedi-Birit, when Dorrepaal pushed out Casperz and Lichte and brought in new partners, Jhr. R.M.C. van Alphen and C. Baron 't Serclaes de Kessel, as the co-owners of Wedi-Birit plantation. There was a more general shift throughout Java in the 1870-80s from individually-owned to corporate companies, due to both the good prices for cash crops like tobacco in the 1870s and the new policies of the Dutch government towards private enterprise at that time. In 1880s, the ownership of the companies became corporate bodies and financially more complex than in 1870s.

The Dorrepaal family was able to expand its business in the Principalities from eight plantations in 1874 to 21 in 1877, of which four were individually-owned by G.L. Dorrepaal himself, while the remainder were jointly-owned with other planters. This was a remarkable achievement for the family. By 1881, nine out of the 21 estates in the family group were still in the hand of G.L. Dorrepaal and his brother, H.E. Dorrepaal, and the rest were officially owned by the corporate body established by this family as Dorrepaal & Company. Out of those 21 plantations, seven were tobacco plantations.

It is worth noting here that as early as the 1860s and 1870s Dorrepaal's estates were contributing about 40 per cent of the tobacco exported from this region, while the rest was produced by about 10 other small companies. This dominant share of the Vorstenlands cigar tobacco industry produced by Dorrepaals' companies was maintained in the following decades; between 1880-1920 Wedi-Birit, Gayamprit and Kebonarum came to be the major tobacco estates in Klaten regency. The development of tobacco production in

---

19 RA, 1877, pp. 304-311; KV, 1876, pp. 192-193.
20 In 1887, several new companies were formally established, including CM-Wedi-Birit and NV. Klatensh Cultuurmaatschappij NV-KCM, Klaten Estate Company. CM-Wedi-Birit was reorganized with an investment capital of fl. 360,000. This was divided among the following shareholders: Erven G.L. Dorrepaal, the wife of Baron de Kessel - Mevr. Donari de Serklaes, and C. Th. Thurkow. Dorrepall {three-tenths}, De Serklaes {fourth tenths}, and Thurkow {three-tenths} respectively. AKCM, ARADH, Box No. 124.
21 RA, 1881, pp. 360-366.
22 KV, 1873, Appendix MM; KV, 1881, Appendix AAA.
this regency continued to grow until they reached an all-time peak the years just prior to World War I. But the interests of Dorrepaal were still diversified among other cash crops also.23

In 1887, NV. Klatenschcultuur Maatschappij (NV-KCM) was officially established in the Hague, of which Gayamprit and Kebonarum estates were the core elements. These had previously been Dorrepaal's major indigo and tobacco estates in Klaten. But he retained Wedi-Birit as part of his own group of companies and he seems to have had little or no part in NV-KCM's activities from that time on. After 1910s, NV-KCM purchased various other tobacco estates in the Principalities, such as Gantiwarno, Demangan, Sorogedug and Wanujoyo and sugar estate in Jogonalan and Gondangwinangun.24 These estates remained as a key part of NV-KCM until it was formally liquidated in 1962.25 But in addition to NV-KCM, 15 similar corporate bodies were erected by 1890, managing 29 major estates in Surakarta. The main indigo-tobacco estates and big sugar estates were by then owned and managed by corporate bodies such as NV-KCM and Colonial Bank. Compared to the other corporate bodies operating in Klaten until 1920, however, the tobacco plantations controlled by NV-KCM were still quite small. In 1914 for example, the tobacco production of NV-KCM-controlled estates, namely Gayamprit and Kebonarum was only 650,000 pounds, whereas Gantiwarno, Wedi-Birit and Trucuk at the same time produce totalled 1,400,000 pounds.26

These new corporate structures enabled the Dutch planters in Surakarta to run their enterprises much more efficiently, so that higher profits were achieved. The profits obtained by NV-KCM during the period 1887-1915 are shown in Table 3-3. It is worth noting that these levels of profit and the dividends paid to shareholders were extremely

23 Delanggu estate managed by Dorrepaal grew jute, sugar, and sometimes tobacco. See AKCM ARADH, Box No. 20.
24 "Verslag NV-KCM," AKCM, ARADH, Box No. 120.
high, especially after 1905, and the incidence of losses almost negligible. They continued to be very high in the 1920s also (Chapter 4).

**Table 3-3:** Profits, Losses {In fl.} and Dividends {In Per Cent} of NV-KCM, 1887-1915

<table>
<thead>
<tr>
<th>Year</th>
<th>Profits</th>
<th>Distributed Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1887</td>
<td>83,921</td>
<td>5.58</td>
</tr>
<tr>
<td>1889</td>
<td>184,698</td>
<td>9.00</td>
</tr>
<tr>
<td>1891</td>
<td>226,985</td>
<td>10.50</td>
</tr>
<tr>
<td>1893</td>
<td>397,181</td>
<td>20.26</td>
</tr>
<tr>
<td>1895</td>
<td>408,293</td>
<td>22.38</td>
</tr>
<tr>
<td>1897</td>
<td>499,892</td>
<td>29.25</td>
</tr>
<tr>
<td>1899</td>
<td>281,169</td>
<td>16.63</td>
</tr>
<tr>
<td>1901</td>
<td>331,241</td>
<td>18.24</td>
</tr>
<tr>
<td>1903</td>
<td>342,040</td>
<td>18.00</td>
</tr>
<tr>
<td>1905</td>
<td>1,131,780</td>
<td>50.00</td>
</tr>
<tr>
<td>1907</td>
<td>787,092</td>
<td>40.00</td>
</tr>
<tr>
<td>1909</td>
<td>721</td>
<td>nil</td>
</tr>
<tr>
<td>1911</td>
<td>632,591</td>
<td>23.75</td>
</tr>
<tr>
<td>1913</td>
<td>(loss 25,625)</td>
<td>nil</td>
</tr>
<tr>
<td>1915</td>
<td>1,724,586</td>
<td>40.00</td>
</tr>
</tbody>
</table>

Source: "Verslag NV-KCM 1939," AKCM, ARADH, Box No. 124.

The period 1880-1910 was a period of steady expansion of agricultural companies through reinvestment of profits throughout nearly all tropical regions, despite the setbacks due to the slump of 1884-85. This seems also to have been the case in Surakarta. The taking over of one estate by another or expansion of one estate into other areas did not impose a huge financial burden upon the planters, however, because the capital cost of these lands was generally quite low. The first company merger had occurred in 1880,


28The amount of land rental was closely related to the fertility of land. In 1877, G.L. Dorrepaal rented 493 *bouws* in Pandan in the price of fl. 5.586.-a year, therefore the rent was fl. 11.- per *bouw* per year. At that time he also rented 502 *bouws* of land in Jonggragan at the price of fl. 8.-, while in the good land villages such as in Wedi he had to pay fl. 17.- per *bouw* per year. The land rental in relatively less fertile areas such as in Beji, Kartosuro, the eastern of Klaten regency was much cheaper. In that time Menich paid fl. 4.- a *bouw* per year for growing tobacco on 66 *bouws* in this area. *KV*, 1878-79, Appendix XX.
when Ngupit Sajadan and Gagak Sipat and two other companies were granted a licence in Surakarta and twelve estates were taken over. In order to avoid further losses, the under-capitalized enterprises found a 'safety valve' by simply giving up the land they hired at the end of the contract to the stronger companies or returned the land to the owner.

The capital invested in tobacco estates in the Principalities in the 19th century was relatively small compared to that invested in East Sumatra during the same period. CM-Wedi-Birit had started its operations in Juli 1887 with a capital of only fl. 360,000.-, cultivating 175 *bouws* of tobacco and 199 *bouws* of indigo. CM. Juwiring, established in Semarang on 14 January 1893, operated on much the same scale with an initial investment of fl. 250,000.- planting only 50 *bouws* in its first year, although 20 years later the area planted had become 10 times greater. By contrast, we may observe that the companies operating in East Sumatra were relatively far larger and more heavily capitalized; the Amsterdamsche Deli Company invested fl. 700,000.- in 1879, while the *Tabaks Maatschappij 'Arendsburg'* had a capital of f 1 million. CM. Gawok of Surakarta in 1885 started with working capital of only fl. 400,000.- The plantations in the Principalities needed relatively little capital because they could take advantage of the apanage system, which gave them access to an adequate labour force as well as relatively fertile land, whereas in the empty area such in East Sumatra the planters needed a great deal of capital, not only for the opening of the substantially much larger land areas needed from the virgin forest but also to import a labour force. This explains why the level of capital needed in these areas were substantially different.

---

29 *KV*, 1881, Appendix AAA.
30 *KV*, 1882, Appendix FFF.
31 In this regard, the invested capital was the sum of money accumulated by the company to start its operation. A part of this capital was used for renting land and constructing buildings. The amounts of the capital invested by tobacco companies are contained in the annual report reproduced by Dentz and Van der Breggen, the famous Amsterdam tobacco broker. See, for example, *Sumatra- en Java Tabak Statistische Overzicht op Handel- en Financieel Gebied*. Vol. 1940.
32 *AKCM*, ARADH, Box No. 124; *Sumatra Tabak*. 1890.
The course of the development of the plantations agriculture in the Indies had been interrupted by world-wide economic recession of 1884-85. Cash crop cultivation experienced a serious set-back in the later years of the decade, although a recovery was achieved in the 1890s. In 1883, for example, the export of tobacco was 106 thousand metric tons, while in 1885 it became 60 thousand metric tons and by 1889 had increased to only 73 thousand metric tons.\(^{33}\)

To acquire an agricultural enterprise in the Principalities did not require a great amount of capital but to operate the estate every year, a regular provision of capital was required. Therefore, the availability of financial agencies which performed functions similar to estate banks was necessary in the Principalities. In 1897, for example, NHM provided operating capital to Wedi-Birit, Gayamprit, Kebonarum and Gondangwinangun estates amounting to fl. 572,305.-.\(^{34}\) In addition to the successful entrepreneurs, there were also many who failed, because they were not able to keep their enterprises operating due to lack of capital. An example of an individual entrepreneur who was not successful was D. van Haasterk, a former employee of various plantations in Java, who failed to make any profit in Surakarta. He was an entrepreneur who developed the ambition to accumulate capital while he was employed in a plantation company, then tried to invest his relatively limited wealth in agricultural activities of his own, but without success. On the other hand there were rich Dutch families which became interested in investing their money in the agricultural business in the Principalities. In the 1880s, we find amongst these not only such well-known names as Dezentje, Dorrepaal, and Arnold, from amongst the Dutch circle in the Principalities, but even some Royal family members as well.\(^{35}\)

These financial institutions were at first involved mainly in providing capital to as-


\(^{34}\)See the NHM records in ARADH, Inventory No. 2.20.01. Box No. 3115.

\(^{35}\)MoO, Governor Surakarta, 1937; The connection through marriage between the Sunan and Dezentje, the owner of a sugar factory in the Karanganom and Ponggok area was common knowledge in Surakarta; Interviews with village councils of Karanganom and Ponggok villages January-February 1986
sist companies in difficulties to overcome their shortage of funds; but later they also became interested in advancing their efficiency also in order to protect their investments. In Surakarta, the role of such estate banks performed by institutions such as NHM, Colonial Bank, and Internatio, which came to be major agents of technical progress while also becoming themselves involved in the production of cash crops. In 1897, NHM provided financial support to tobacco and indigo estates such as Gayamprit, Kebonarum and Wedi-Birit of about fl. 300,000.-. In this year, the same amount of loan was also paid to the sugar factory, Gondangwinangun. In 1896, NHM had also given financial support to other three sugar factories, namely Cokrotulung and Delanggu in Klaten regency and Pundong of Yogyakarta Residency, amounting to nearly a half million guldens. Colonial Bank provided financial support to Wonosari and Candi-Sewu sugar factories in Surakarta, while Internatio gave loans to a tobacco estate in Gawok. With more adequate capital, agricultural companies were much more secure in their tobacco operations and were able to develop various new techniques in tobacco production.

The Organization of Tobacco Cultivation in the Principalities

In order to ensure high quality cigar tobacco, the role of the bekel as the organiser and supervisor of the production activities was particularly important on the apanage lands of the Principalities especially in the early years of the industry. Just as the bekel had been required to carry out the tasks of producing either food crops for the Sunan or his subordinate officials (patuh) under the apanage system, so too he was now expected to carry out the same role as the chief mobilizer of a labour force for the Dutch planters on the land rented from the patuh. Moreover, the bekel also became to the overseer of all production processes, an additional task that had to be performed by them without any payment. In fact, the only means of recompense given to the bekel was the small portion

36“Archieve NHM,” loc.cit.
of rented agricultural land allotted to him, approximately one *bouw*. The peasants or laborers recruited in the tobacco areas were compelled to work mainly on the plantation companies’ land (*bumi prentah*), raising tobacco for even less renumeration. They were simply given the opportunity, which was in no sense a legal right, to cultivate a portion of the rented land (*bumi glebagan*), as a form of wages for their labor in the tobacco fields, with three peasants allotted to share one *bouw* of arable land. The plantation work performed by the peasants comprised all types of production activities, including the initial ploughing of the land, seedbed preparation, transplanting the tobacco seedlings, tending and harvesting, to drying the leaf and transporting the dried tobacco from the smoke-house to the fermenting-shed. In this regard, the apanage system offered the Dutch planters an amazingly cheap means of access to both labor and land to develop their agricultural enterprises in the Principalities.

In addition to the various activities listed above, there was also miscellaneous casual works which brought cash payments, such as attending to the tobacco plants after heavy rains, checking for pests such as caterpillars, and watering the tobacco seedlings. These cash payments were certainly very important for the peasants in meeting their daily needs, but in many cases the money stayed in the pocket of the *bekel*. The *bekels’* behaviour was perhaps understandable, because apart from the fact that they had to organize the peasants’ labour they were responsible for having the jobs carried out as planned, they sometimes had also to provide various commodities to the companies. For example, Jonquiere reported in 1910 that the tobacco estates in Ketandan and Ngupit required materials such as bamboo and wood for constructing the smoke-houses to be delivered by the *bekel* without any payments.\(^{38}\) Moreover, the peasants also had to provide grass to feed the horses belonging to the company. During the 19th century, these heavy burdens placed upon the peasants sometimes created rural disturbances in the plantation areas in the Principalities (for an account of this matter see Chapter 4).

Tobacco cultivation in the fields of the estates was mainly carried out by the *kuli*

\(^{38}\) (Jonquiere, “Kort...,” *op.cit.*, p. 94.)
while the work in the various fermenting and sorting sheds was mainly carried out by paid laborers, usually the peasants’ wives and children. A few companies used unpaid compulsory labor for fermenting and sorting works.

By the 1890s, at the apex of the hierarchy of a tobacco company was a Dutch manager (*administrateur*), assisted by one Dutch employee assigned to take care of the administration and finances. A small number of other Dutch employees were responsible for the field production as overseers (*sinder kebun*) and the processing stages (*sinder gudang*). Under the *sinder gudang* were several female *mandur*, who were responsible for dozens of female laborers. The same applied to the *sinder kebun*, who also supervised several Javanese *mandurs*. These field *mandoer*, each controlling 15 to 20 peasants in carrying out the works. The peasants formed the base of the organizational structure and their contribution to the development of the tobacco industry was essential to its success.

**The Overall Impact of The Plantations on Peasant Society in Surakarta**

Obviously, the extension and intensification of Dutch plantation agriculture after the 1880s must have had a very great impact on peasant society in Klaten and Surakarta at that time. If we compare this period with the very limited extent of Dutch plantation up to the 1870s, it is clear that the life of the villagers in this area now more deeply affected by what was happening on these plantations. By 1920, about 18,000 *bouws* was under sugar and 8,000 *bouws* under tobacco in Surakarta as a whole and about two-third of it was in Klaten alone. That is out of a total about 71,000 *bouws* for Surakarta and 48,500 *bouws* of *sawah* in Klaten. That meant that tobacco had a much more substantial impact upon the peasants in Klaten than in Surakarta Karesidenan as a whole.

One of the features of the peasants-plantation relationship during the period 1860-1915 is what was the effect of the changes occurred on the peasant society and did it bring benefit or create a hardship. It was the fact that the cultivation of cash crops in lowlands in Klaten meant not only the taking up of land from food crops cultivation but
also more and more time of the peasants of the cash crop-growing areas had to be spent in
the cash crop fields. Moreover, the water available in the rented land was mainly used for
the cash crop cultivation rather than for peasant’s food crops. Consequently, the food
crop grown by the peasants produced poor yield due to insufficient water and tending.

Peasants and planters: food crops and cash-crops

It is not easy to get any clear picture of the impact of the expanding plantation
sector on peasant life in Surakarta or Klaten in this early phase of development of the
tobacco and sugar industries. The apanage system still formed the basis for the socio-
economic organisation of these industries until the 1920s (see Chapter 4), although it was
coming under strain by the early years of the 20th century as it proved less suitable to the
needs of large plantations than to the small ones of the mid-19th century.

The rising demand for labour by plantations, as well as for land, was bound to have
an increasingly big effect on the population of the region, either in the hours of work re-
quired or/and in wages paid. Since most labour was recruited for the plantations by the
bekel on a compulsory basis, very little wage labour was involved at this stage (as it was
to some extent in 1920s); hence the tobacco plantation were not, at this stage, injecting
very large sums of money into the local economy. On the other hand, sugar mills operat-
ing in this region had been recruiting relatively more wage laborers for various works
carried out in the mill.

In respect to food situation in the cash crop-growing areas, it is interesting to ask
whether the amount of food being grown on the rented land was sufficient to feed the
population concerned. Clearly, it must have been in Surakarta as a whole, since it was a
rice surplus area at this time. There was inter-regency trading of agricultural com-
modities and local manufactured products as well as intra-regency. In case the food
production was not enough to meet the food requirement, the imported food supply was
important and cash payment paid by agricultural companies, no matter how small, was
helpful. If the cash payments were not available, the peasants adjusted their staple food
from rice to lower quality foods. There was no evidence of food shortages in Klaten, in fact this region exported rice to Sragen and Wonogiri.

In terms of agricultural production, a significant change occurred in the tobacco growing areas in the course of the 19th century. In the years before much apanage land was rented by the Dutch planters, the old apanage system basically enabled the peasants, with the consent of the bekel, to grow whatever crops they needed. Although the peasants tended not to grow more than they needed, due to their insecurity of tenure and risks of theft or of taxes drawn by the rural elite, the peasants were at least able to meet their needs from their own production. On the rented tobacco land, by contrast peasants were hardly able to meet their basic food needs; so in order to meet their other needs such as clothing, salt and cooking oil the peasants'wives and children had to work on the plantation land or sorting sheds, or anywhere else, in order to earn additional money.

The main reason why the peasants in the tobacco-growing areas were relatively worse-off than before was mainly that they were compelled to work on the tobacco field for much of their time, so that there was not enough time left for their crops.

To meet their labour requirements, the tobacco companies relied on the service of the bekel as a labour recruiter. Until 1917, the bekel was expected not only to provide the land and labour required by the companies but also to supervise the cultivation of the cash crops grown. (This task of supervision after the 1890s, was gradually taken over by the mandoer). The effect of this is that the bekel or later the village headmen, became

---

39In the 1920s, for example, during the heyday of the cash crop industry, the staple food consumed by the peasants still fluctuated throughout the year according to the season within year around. During harvesting, rice was a common staple food in Klaten but in the month prior to the harvesting season {paceklik} maize was commonly consumed. Villagers in tobacco-growing areas recalled in the interviews that rice was seldom eaten during the dry season. “Voeding van de Inlandsche bevolking {district gewijs} in 1924,” in Departement van Landbouw, Nijverheid en Handel, Landbouw Atlas van Java en Madoera. Weltevreden: 1926, Vol. II, Table IX, p. 194; Interview with the peasants of the Kecamatans of Gantiwarno, Klaten, and Kebonarum.


virtually the agents of the Dutch planters working in the Principalities. Burger has pointed out that in the mid-19th century the planters elsewhere in Java usually made contact only with the village heads, but by the early 20th century they were actually dealing directly with the peasants. Earlier, the planters in the Principalities had not needed to make contact with the peasants, since the apanage system allowed them to make contracts with the patuh not only for access to the land but also for the labour force associated with it. As the plantation system developed, however, and the peasants became virtual estate laborers on the tobacco estates, the planters' influence on the lives of the peasants became a much more direct system of control.

Boeke asserted that the peasants benefited from contact with the western plantations, because they learnt how to cultivate new crops. They were generally willing to adopt new crops, he said, "because there is no force applied in the production process." Even if that was true of other parts of Java or the Outer Inslands (which is debatable), it was certainly not true of the Principalities, where the peasants were simply not encouraged or even allowed to cultivate the major plantation crops, sugar or tobacco (though they were allowed to grow indigo and coffee, which were not exclusively plantation crops). But in any case, because of the apanage system, the peasants and the bekel in charge of the rented land were economically dependent on the Dutch planters and hence under their control. The relationship between the patuh and the people of his apanage land had been minimal, but now the role of the patuh in relation to the peasants was being taken over by the planters in a much stickier way.

It is worth stressing that there was a complete lack of smallholder tobacco growers in the Principalities, apart from the peasants growing krosok in several districts in Boyolali Regency. Like Deli, but unlike Besuki, there was a virtual monopoly by the Dutch plantations over the cigar tobacco industry in this region. The tobacco planters in

---

43 Boeke, 1946, *op.cit.*, p. 3.
Surakarta never intended to allow the peasants to grow cigar tobacco independently, as they did in Besuki (initially). The reason was not that the peasants lacked the skill to do so, but rather that the Dutch planters believed that maintenance of a monopoly in cigar tobacco cultivation was essential if high quality was to be maintained. High quality depended on tight control over every stage of the production and processing activities. This could only be done if the industry was kept totally under the control of the planters.44

Until the first decade of the twentieth century, the peasants in cash-crop growing regions were generally poor. They were required to carry out various tasks for small payments and at the same time the traditional ruler also demanded that they perform unpaid work. But gradually the poor peasants were given more regular payments. A Dutch controleur, Jonquiere, commented in 1910 that Dutch officials tended to deny that the plantations were to blame for the poor conditions experienced by the peasants; “the poverty among the peasant was always attributed by the planters to the misconduct of the bekel and other village leaders.” It was perhaps inevitable that the Dutch would blame bekel rather than the plantation system for such conditions, but from the point of view of the peasants, the distinction was probably not a very important one. But an official report of the manager of NV-KCM to the Resident of Surakarta in 1909 makes it clear that the tobacco companies in Klaten were able to utilize the labour of 7,000 families each year in the form of various unpaid forced labour services (selapanan, intiran, and cultuur diensten). It was estimated that this represented a saving to these companies of fl. 122,380. a year, but at a cost to each peasant family of fl. 17.- per annum.45 It is noteworthy that

44 The importance of this monopoly was stressed by D. Tollenaar, the former Director of the Tobacco Research Station, in 1949. He claimed that the heyday of the tobacco industry during the period before 1941 was directly attributed to the monopoly over cigar tobacco cultivation held by the Dutch planters. “Schema Tollenaar, 1949,” AKCM, ARADH, Box No. 120.

45 Nota aangeboden aan den Resident van Soerakarta naar aanleiding van de bij ZHEdG’s Missive dd. 6 April 1909. Nr. 5825/44T voorgestelde Nieuwe Regeling der Verplichte Diensten op de Huurlanden (artikel 16 van het landhuurreglement) mr. 20. 1852/09.” AKCM, ARADH, Box No. 122.

(Fn. 46 is deleted)
soon after 1910, we find reports that wage labour was beginning to be paid for particular kind of jobs in the sugar and tobacco industries (about 50 years later than “free” wage labour had begun to replace compulsory labour in other parts of Java at the end of the Cultivation System).47

Because of the steadily increasing production of export produce by the Dutch companies after 1870, the position of the Dutch Resident of Surakarta became more and more important throughout the later decades of colonial rule, despite the official limitations of his role in the “self-governing” Principalities. For instance, when a planter applied for a licence, he was the official who had to decide whether to approve or disapprove on the basis of his previous experience of the planter’s dealing’s with the peasants. The planters had to submit requests for land leases to the Rijksbestuurder or Vizier’s office, but at the same time they also submitted their requests to the Resident, who passed the letter on to the General Secretary at Buitenzorg for approval by the Governor General. In the 1850-60s, when the estates were still relatively small, only 20-50 bouws, and could be obtained through the patuh, the planters had been much more dependent on the Sunan or Prince Mangkunagoro for approval of their applications. By the 1890s, the estates were much bigger corporate enterprises, sometimes up to 300 hectares. Increasingly, the planters began to look more to Batavia than to Solo in dealing with administrative matters. In fact, the Sunan never refused applications by the planters, but it was the case that some planters were refused by the Resident.48 The role of the Sunan, in this respect, was being taken over increasingly by Dutch officials. By that time, the patuhs did not matter much, for they were tending to become poorer (see Chapter 4).49 This situation caused concern to some Dutch officials who saw the increasing economic weakness of the patuh as destabilising.

47 In 1910, the Klaten Estate Company and Firma Crone made additional payments of fl. 18.- and fl. 10.- per bouw respectively for carrying out the intensive land preparation required in Klaten regency. {Jonquiere,} “Kort...," op.cit., p. 101.

48 The case of a planter whose application was refused on the grounds that he was considered incapable of dealing with the peasants is reported in Besluit 2 October 1895, No. 42, folio 1684, ANRIJ.

49 There are many instances of complaints from the patuh over the take-over of apanage land by Dutch planters without their knowledge. One such example is the case of Panji Sontosiswoyo of Gondang. Suryosiswoyo was the son of Pangeran Suryobroto, apanage land holder of Ketitang, Gondang estate. In 1871, Dorrepaal rented the land and then passed it on to Mevr. Tarco, and then to the Klaten Estate Company. Sontosiswoyo sent a letter of complaint to the Governor General requesting the higher land rental. Agenda 28 June 1893, No. 12759, Bogor Depot, ANRIJ.
In the late 19th century, the existence of so many estates in the lowland areas in Klaten regency made the demand for irrigation water exceed the amount of surface water available. Water was now one of the most important elements required for agricultural activities in Klaten, especially for tobacco, which needs a lot of water in its early stages, if high yields are to be obtained. Fortunately, Klaten was well supplied by twelve rivers flowing across the regency from Mt. Merapi, although in some cases an irrigation network had to be built to utilize them effectively. In the areas where water was not abundant, especially during the dry season, the development of agricultural plantations for annual crops was quite risky. Friction arose among various plantation companies in some cases due to water control problems, e.g. water dispute among Gedaren, Ketandan and Ngupit estates, because of insufficient water for their needs. The three plantations were very much dependent on a single water source located in Gedaren village, where a sugar factory was located. The other estates, namely Ketandan and Ngupit, had less access to the water source due to the fact that most of the water was used by the Gedaren company to irrigate its sugar crop (See Map 3-2: Klaten Regency Java, Gedaren Sugar Estate, Ketandan and Ngupit Tobacco Companies).

By using five dams established along the small river the Gedaren plantation was able to make use of it efficiently, but the residue was hardly sufficient to provide the water needed for irrigation for both Ketandan and Ngupit companies which grew tobacco. The matter was passed on to Governor General for resolution, but it was never satisfactorily settled. Water problems could occur because water was either scarce or sometimes overabundant, as in the case of a problem that arose between Gondang plantation and Gantiwarno estates utilizing the Dengkeng river, which was flood-prone during the west monsoon. Moreover, in addition to the problem of floods, there were also sand flows from Merapi from time to time, carried down by rain water after volcanic eruptions.

51 Missive 21 October 1891, No. 2594; Missive 24 November 1891, No. 2908. AKCM, ARADH, Box No. 120.
Map 3-2: KLATEN REGENCY JAVA

GEDAREN SUGAR ESTATE, KETANDAN AND NGUPIT TOBACCO COMPANIES

NAME OF KECAMATANS

01 PRAMBANAN
02 GANTIWARNO
03 WEDI
04 BAYAT
05 CAWAS
06 TRUCUK
07 KOTA KLATEN
08 KEBONARUM
09 JOGONALAN
10 MANISRENGGO
11 KARANGNONGKO
12 KETANDAN
13 CEPER
14 PEDAN
15 KARANGDOWO
16 JIWIRING
17 WONOSARI
18 DELANGGU
19 POLANHARJO
20 KARANGANOM
21 TULUNG
22 JATINOM
23 KEMALANG

ROAD

TOBACCO

SUGAR
which made the Dengkeng river higher than the agricultural land. When Gondang company constructed a dike, the rain water flooded the Gantiwarno's land, and vice versa. This matter, too was reported to the Governor General, but was never settled. Thus it may be seen that the development of agricultural industry in Surakarta during 19th century brought its own peculiar problems with it, quite apart from any benefits it brought to the peasants in this region.

To conclude from what had been described above, during the years 1860-1915 there was considerable change in the region, which was also matched by development in the organisational structure of the tobacco companies in Surakarta. A rapid expansion of area planted occurred in 1870-1915, due to high prices in the international market, with the highest levels of value of the tobacco exports occurring between 1910 and 1915. The high level of tobacco exported between 1890-1915 was made possible by the capital provision by financial agencies operating in Surakarta, the increase of efficiency through the incorporation of the small companies and high demand on the international market. The cash payments generated by agricultural plantations operating in Klaten or Surakarta as a whole, especially after 1910, appear to have created greater economic opportunities for the peasant families in the region since the rate of population growth was higher than elsewhere. But to what extent it affected the overall level of welfare there cannot be determined on the basis of the evidence available.

53 Ibid.
CHAPTER 4

The Agrarian Reorganization in Surakarta: 1900-1920

Background

A significant change in the land tenure arrangements affecting the tobacco industry in the Principalities occurred around the period 1917-1925, when an Agrarian Reorganization took place which brought to an end the apanage system under which the plantation companies had been able to obtain land during the 19th century. That system was quite unique to the Principalities and had never been applied by the Dutch in the directly-ruled parts of Java and Madura. It had given the plantation companies there a big advantage over others in terms of relatively cheap access to land and labour, although there were some disadvantages associated with the system as well.

In order to explain the reasons for that Agrarian Reorganization and its consequences for the plantations, it is necessary to show first how the apanage system worked, the changes that were occurring within it during the latter part of the 19th century, and the attitudes to it of the Dutch government and the various parties affected by it. These included the companies themselves, the Sunan, the patuh, and the peasants who worked the land but who had no rights to it.

The main reason for the Reorganization appears to have been that Dutch officials had come to the conclusion that the apanage system was unjust to the peasants (as indeed it was) and essentially archaic in the legal principles it upheld, in that only the Sunan held ultimate ownership rights to the land. As we shall see, there were other
reasons, too, why the system was not working as well by the end of the 19th century, when the demand for land both from the plantations and the peasants was increasing steadily, as it had done half a century or so earlier, when land was still relatively abundant and the number of claimants fewer. The attitude of the plantation companies to the proposal for Agrarian Reorganization appears to have been ambivalent. They had some complaints about it, but were unhappy about the increase in costs they would have to pay for labour as well as land under the new system, which took shape in the 1920s.

With the growth of plantations in the Surakarta Sunanate, the Dutch planters increasingly replaced the Javanese court officials (patuh) in many of their former authority functions. This created a situation in which the ruler and the mass of his subjects grew more and more isolated from each other. The peasants in the cash-crop growing areas were still filled with reverence for the magic person of the ruler. But in their every-day life they experienced mainly the authority of the European managers of the plantations. Under the apanage system, the Sunan was the ultimate proprietor of all the land, to whom a large part of the crops grown on the land was delivered, to be used for the support of his family members and for the the traditional bureaucratic apparatus in the Sunanate. The peasants who cultivated the land and produced the agricultural goods had to bear the burden of the heavy tasks involved, and as will be shown in this chapter, the burdens shouldered by the peasants in rural areas became heavier when the Dutch planters rented the apanage land.  

---


The Apanage System

The Apanage Lands, the Sunan and the Patuh

Under the apanage system, established in the Principalities in 1755 after the division of Mataram into Surakarta and Yogyakarta, the Sunan was regarded as the ultimate owner of all land in Surakarta with power of disposal over all the resources available in the Sunanate at his own discretion. Consequently, this authoritarian administration imposed heavy burdens upon both the patuh and upon the peasants. On the lands rented to the plantations, the financial tributes imposed by the Sunan were paid by the Dutch planters as well as the peasants. It was this arbitrary and exploitative feature of the apanage system that finally led to the demands for its reorganization, at the urging of the Dutch officials.

Because land was the main source of livelihood, it was divided among the Sunan, royal family members, royal officials, and lower officials. The royal family members and royal officials (patuh) were granted the right to use the apanage land in return for levies paid to the Sunan. Under this system, a patuh and his descendants were allowed to bequeath the apanage land for up to four generations. This long-term occupation resulted in problems for the Sunan because of the need for and more land to provide for the livelihood of the growing numbers of royal family members.

In the 19th century, there was a great increase in the total number of officials assigned by the Sunan. In the 1830s, the royal family members, royal officials and the lower officials of the Sunanate totalled about 2,000, whereas by the 1880s, the number had risen to 26,000. This was a result of a natural increase in the size of the royal family, as well as the assignment of new personnel through administrative changes carried out over the

---


4 Dutch officials complained that the royal family in Surakarta had too many concubines and consequently produced too many children. Pakubuwono X was reported to have more than fifty concubines and several hundred children. Rouffaer, loc.cit.
When the number of officials and *patuh* increased during the 1830 to 1880 period, the total area of agricultural land was also expanded. In the 1830s, the agricultural land in Surakarta was about 38,000 *bouws*, while fifty years later, it had doubled. The distribution of land in the 1830s was carried out in such a way that the Sunan retained about 15 per cent of the total agricultural land (5,600 *bouws*). The royal family members were allotted 35 per cent (13,400 *bouws*), the salary land for officials was 47 per cent (17,600 *bouws*) and the remaining three per cent was tax-free land was (960 *bouws*). However, by the 1880s, the allotted land had increased to at least 70,000 *bouws* and most of this was distributed to the increasing number of royal family members.

With the emergence of intermediaries such as the *demang*, *ronggo* and *ingebehi* as tax collectors, the structure of rural communities in Surakarta became very complex. The large number of these intermediaries increased the possibilities for greater exploitation of the peasants as the ultimate producers of food crops. These intermediaries were entitled to take a portion of the taxes collected so that they tended to demand higher taxes from the *bekel*. Although in theory, the *bekel*’s position as a kind of production manager under the apanage system was entirely dependent upon the *patuh*, in practice the latter was able to dismiss the *bekel* if he was considered unable to collect a sufficient amount of tax. It was common, then, that there was competition among the *bekel* of particular apanage lands to collect additional taxes in order to ensure their own position, which meant that heavier burdens were imposed by the *bekel* on the shoulders of the laborers (*kuli*).

The value of the apanage land allotted to the *patuh* was not actually dependent on...
the size of the land but rather on the number of the peasants able to cultivate the land. In the 18th and the 19th century, the apanage land was usually measured not in *bouw* but in *cacah*. The *cacah* meant the number of peasant laborers (in the Principalities, from three to five) required to cultivate a unit of land, normally a single *bouw*. The *cacah* was not only meaningful for cultivating the land but was also important to the *patuh* for the carrying out of household tasks in the form of *vorstendiensten*. In later periods, however, *cacah*, *karyo*, and *bouw* were often used interchangeably.

Because the *patuh* had to reside in the capital city, the organization of production in the apanage land was entirely in the hands of the *bekel*, who were assigned as tax collectors and also as village headmen. In practice, most *patuh* did not bother themselves directly with the apanage land. Most of the apanage lands were relatively small plots, scattered in several places, and the peasants recruited by the *bekel* usually occupied an average of only one-third of a *bouw*. Moreover, the tiny amount of land occupied by the peasants was made even worse by the involvement of the *bekels’* family members as their assistants in the raising of food crops on the apanage land as reported by a Dutch planter,
Buwalda, who rented land in Wonosari Kecamatan in the 1880s.11

At traditional feasts and gatherings, such as garebeg Mulud, Puwasa and Besar, the patuh had to submit various deliveries both in cash and in kind. In some cases, forced labor was also demanded by the Sunan. In carrying out these obligations and in paying the taxes and deliveries, the patuh had to rely on the bekel and their laborers. In this regard, the role of the bekel in the apanage system was important.

The Role of the Bekel

It was common for apanage land to consist of scattered tiny parcels,12 so that it was no easy task for the patuh to deal with the bekel. Some patuh favored taxes in cash, and the bekel of these apanage lands were called bekel-pemajegan,13 while other patuh favoured taxes in kind and their bekel were known as bekel-maron.14 Basically, in the bekel-maron system the share of the bekel, patuh and the laborers was 20 per cent, 40 per cent, and 40 per cent respectively, although there were variations in regard to the crops grown. The bekel-pemajegan practically took over the position of the patuh because they had to outlay money to raise the tax revenues, so they were compelled to make a profit from the crops raised on the land under their control. The position of the bekel-pemajegan, was easier than that of the bekel-maron, as they were allowed to retain

---

11 In 1888, Buwalda reported that the apanage land in Pacing village Wonosari Kecamatan, amounted to three jungs (or twelve bouws) occupied by four patuh. Buwalda rented six bouws of this apanage land and of the six bouws of unrented land remaining, {kejawen-land}; two bouws were occupied by Mas Ngabehe Citroduto, the mantri gandek or senior messenger, on which there were two bekel, who happened to be his sons, with one bouw each. Another one bouw of kejawen-land was occupied by Kyai Pranaduta, the jajar gandek or junior messenger. Kyai Pranaduta had no bekel and he organized the cultivation of the land as lurah. His land was worked by three kulis, so that on average each kuli occupied one-third of a bouw. Buwalda's account reveals several interesting features of the rural areas in Surakarta during the late 19th century. Firstly, the position of the bekel was central to the organization of the apanage system. The bekel were in a position to accumulate wealth and consequently tried very hard to maintain their position. Secondly, agricultural land, especially in the fertile areas, was no longer in abundance so that the bekel tended to recruit their own family members to cultivate the land rather than someone else living in the village. “Onderzoekingen omrent den toestanden der Kedjawen-gronden in een deel van Padjang door de Heeren J.C. Buwalda, ondernemer van Bendoengan- Ngreden en zijn geemployeerde A.N.J. Smith. April en Mei 1888,” KITLV, Leiden Collection, No. H-515.

12 Carey, loc.cit.

13 The word pemajegan is derived from pajeg, meaning tax usually paid in cash.

14 In this system, the bekel was entitled to receive 20 per cent of the produce. The remainder was divided equally between the patuh and the laborers.
a portion of the harvest without shouldering any risks. In both cases, the position of the laborers was the same, in the sense that they were merely recruited by the bekel whose main task was to supervise the cultivation of the apanage land.

The size of the royal family resulted in the huge expenses incurred by the Sunan. The heavy burden imposed by these responsibilities compelled the Sunan to demand the necessary cash and goods from either the patuh, the Dutch planters or the Dutch government in Surakarta. In meeting this demand, the patuh tended to increase the taxes or deliveries upon the bekel in the apanage lands. If this was not possible, they simply dismissed the old bekel and appointed new ones, who were able to pay the cash sum (bekiti). In this regard, the position of the bekel was potentially shaky, so to maintain their position the bekel had to develop good relations with their patuh. It was, therefore, understandable that the bekel tended to give top priority to the interest of the patuh in making use of any resources available in the apanage land.

The bekel was aware that their position was very much dependent upon their ability to recruit laborers, and this could only be achieved by developing a good relationship with them. The size of the apanage land, both agricultural land and land for dwellings, allotted by the patuh to the bekel, was based on their ability to recruit laborers. The more labourers recruited the larger the area of land allotted, so that the bekel naturally

---

15 Apart from the heavy expenses of traditional occasions, Dutch officials complained that the huge size of the Sunan’s immediate family was the main cause of various deliveries demanded of the patuh, the Dutch planters and the Dutch government. See D.H. Burger, Sedjarah Ekonomis Sosiologis Indonesia. Vol. I. Jakarta: J.B. Wolters, 1957, p. 240.

16 Several financial responsibilities were shouldered by the bekel in their relationship with the patuh. The bekel had to pay an initial amount of cash {penganyar-anyar} to the patuh at the beginning of their appointment, to be followed by various payments as well as deliveries. These payments and deliveries cemented the relationship between patuh and bekel, in the sense that if the patuh was satisfied with the performance of the bekel, the probability of dismissal was small. But if the deliveries and payments were considered insufficient, dismissal remained likely to occur.
attempted to attract more and more laborers.\textsuperscript{17} The \textit{bekel} arranged the allocation of agricultural land so that a labourer was usually given the opportunity to cultivate a portion of the agricultural land on an annual basis.\textsuperscript{18}

Apart from the fixed-tax to be paid either in cash or in kind, there were several other payments that had to be made by the \textit{patuh}. The \textit{patuh} was obliged by the Sunan to submit deliveries and to perform various forced labor. In meeting this demand, the \textit{patuh} ordered the \textit{bekel} to carry out various tasks and collect the commodities required. In the apanage lands, apart from the tax that had to be paid by the \textit{bekel}, they were also obliged to pay a certain amount of money (\textit{bekti}) to the \textit{patuh} in return for their appointment as tax collectors. When there was a change of apanage land holder from one \textit{patuh} to another, the existing \textit{bekel} had to pay a similar sum of money to the newly assigned \textit{patuh} (\textit{penganyar-anyar}) as payment for the continuation of the contract between the new \textit{patuh} and his \textit{bekel}. On this basis, it was understandable that the \textit{bekel} tried to retain as much as possible of the available produce from the apanage lands for their families and leave only a small part of it for the \textit{kuli}. The \textit{bekel} usually owned most of the dwellings and most of the valuable trees on the apanage lands, which they even bequeathed to their children, including their daughters. On the other hand, the portion of \textit{pekarangan} allotted to the (\textit{kuli}) could be inherited (\textit{waris-blabag}), although only sons were entitled to inherit a \textit{kuli}'s land.\textsuperscript{19} These facts suggest that the \textit{bekel}, in their capacity as village headmen and tax-collectors, were able to manage the apanage lands for

---

\textsuperscript{17}Originally, settlements developed from land cleared for cultivation by individuals. If the land was suitable and fertile, it attracted other people. This first group of people was the nucleus of the community (\textit{kern-dorper} or \textit{cakal-bakal}) and the oldest man was usually appointed the \textit{bekel}, \textit{petinggi}, or \textit{kuwu}. The land of the surrounding areas was claimed by the community, and the cultivation of crops was carried out on the basis of common interest. This community had its own autonomy and the land in the surrounding areas as its jurisdiction. The \textit{bekel} provided basic needs such as shelter, tools and food during hard times. In short, the \textit{bekel} tried to develop a dependency relationship with the other peasants. Soetardjo Kartohadikusumo, \textit{Desa}. Bandung: Sumur Bandung, 1965, p. 30; Koentjaraningrat, \textit{Kebudayaan Jawa}. Jakarta: P.N. Balai Pustaka, 1984, p. 201.

\textsuperscript{18}During the apanage system, the fixed allotment of agricultural land to laborers was not practised. This was, however, done on a rotational basis. "Verslag Residentie Surakarta," 1832. ANRIJ.

\textsuperscript{19}"Overzicht van den Agrarischen Rechtstoestand in het Vorstenland Soerakarta," KITLV, No. H-774.
the interests of the *patuh* and at the same time for their own benefit. Meanwhile, the powerless *kuli* living in the villages worked very hard but benefited least. The *kuli* were compelled to work in this burdensome system because they had no other choice. The crude exploitative nature of this system was recognized by the Javanese rulers in the Principalities and was at the same time also condemned by Dutch officials. This explains why Prince Mangkunagoro carried out a reorganization on his unrented land in 1870. The Dutch Resident of Surakarta considered this reorganization to be a successful way of both enhancing the economy of the peasant and of producing cash crops for the international market.\(^{20}\)

**The Village and Rights to Land**

The physical appearance of the village in the Principalities in the early 19th century as depicted by Soepomo,\(^{21}\) was "an agglomeration of dwellings shaded by bamboo, coconut palm and other trees." However, the 18th century Javanese Traditional Law\(^{22}\) emphasized the unity and autonomy of the village as an institution and depicted the village as an "area which formed a unity holding its autonomy with its own administration upon the area under its jurisdiction."\(^{23}\) Soepomo defined the village in physical terms such as housing, trees, and the settlement, while the Traditional Law put the emphasis on the legal and administrative elements, such as the unity and autonomy of its administration and the jurisdiction of the village.

---

\(^{20}\)A discussion of the Sunan's attitude toward the reorganization carried out by the Mangkunagoro can be found elsewhere in this chapter.


\(^{22}\)The Traditional Laws in the Principalities were not codified until the mid-18th century. The original oral laws were called *angger-anggeran*, and the recorded versions of these Laws, embracing various matters, were called Decrees (*Pranatan*), Laws (*Oendang-oendang*), and Orders (*Dawoeh, Prentah*) of the King. The basic principles of the apanage system and the *bekel* system were codified in 1755, after the division of Surakarta and Yogyakarta, and were called the *Pranatan Patoeh*. This was recodified in 1863. In 1818, the Agrarian Law of Surakarta (*Aŋger Sepuluht*) was codified by Roorda van Eysingha. This was also done for Yogyakarta by Oudemans few years later. There were also Laws on village matters (*Aŋger Ageng*) codified in 1771 which were renewed and also codified by Roorda van Eysingha in 1818. See C. van Vollenhoven, *Het Adatrecht van Nederlandsch-Indie.* Vol. I, Leiden: E.J. Brill, 1931, p. 656.

\(^{23}\)Ibid.
Throughout the 18th and 19th centuries, the position of the apanage lands in the villages of the Principalities had been confusing and complicated. The division of the Mataram Kingdom in 1755 into the Yogyakarta Sultanate and the Surakarta Sunanate created problems for the allocation of the existing apanage lands and the *bekel* to the new separate Principalities. The confusion was reflected in the retention by Surakarta of some apanage lands in Yogyakarta territory, and vice-versa. Moreover, land located in one village was often divided among several *patuh*, so that the physical unity of the village was no longer maintained. Furthermore, in order to increase the amount of payment (*bekti*), which was made at the time of the appointment of a *bekel*, many *patuh* tried to create new *bekel* through the division of the old *bekel*ships. As a consequence, the villages were divided into tiny *bekel*ships under several *patuh*, and according to a Dutch official in Yogyakarta, village solidarity was destroyed in many areas.24

In this regard, a well-known Indonesian civil servant later expressed the opinion that 'the village autonomy was spoiled by the apanage system introduced by the rulers of Yogyakarta and Surakarta in 1755, and the status of the village as an autonomous territorial unit no longer existed.'25 A few relatively senior *bekel*, usually those of long standing (*bekel tuwo*) who had a substantial number of cultivators, were able to secure recognized positions as village headmen. On the other hand, the smaller *bekel* and their *kuli* retained their own rights in the village under the administration of the *bekel-tuwo*.

Under the apanage system, the status of the *kuli kenceng* was only given to the peasants who held a right to cultivate agricultural land and possessed a dwelling.26 These peasants enjoyed full rights as villagers, and as consequence they were compelled to per-

---

25 Soetardjo Kartohadikoesoemo, *op.cit.*, p. 32.
26 As far as the development of the villages in the Principalities is concerned, until the mid 19th century, particular status was attached to the occupation of land. The *kuli kenceng* were those who had first settled the land, and who had a right to cultivate it and land on which a dwelling was built (*pekaran*). The other settlers, who came later and were not able to acquire either agricultural land or land to erect dwellings, were called *kuli pengindung or indung tempel*. Soepomo, *op.cit.*, p. 21.
form a heavier burden of the forced labor (sambatan wajib) on the bekel’s salary land and on a portion of the land reserved by the patuh for a particular purpose (petilan sawah.) Apart from that, the kuli kenceng and all other villagers (kuli pengindung) had to perform other tasks in the interests of the village as a whole (rukun gawe), such as the maintenance of village roads, dams, and bridges, and night-watch around the village (patrol diensten).

The heavy tasks imposed by the Sunan compelled the bekel not only to mobilize the kuli kenceng but also those villagers, who were not yet allotted agricultural land. Sometimes a kuli kenceng lost his title to agricultural land (seleh) because of the heavy burden of the tasks he had to perform. For the bekel, however, this meant a reduction in the number of laborers. Consequently, the bekel not only required force labour to be performed by the kuli kenceng but also by any able-bodied male (bau ayer) as well. Compared to the pengindung, the task of the kuli kenceng was extremely heavy. However, the kuli kenceng’s rights to agricultural land gave them greater economic security than the pengindung possessed.

The right of the common people to make use of land in the Principalities was restricted by Traditional Laws which stated that any land in Surakarta basically belonged to the Sunan. Under the apanage system, the patuh enjoyed certain privileges while the peasants faced various constraints in finding the means to earn a livelihood. According to Article 44 of the 18th century Angger Sepuluh, the common people had a right to use some waste-land (wewenang ambubak), such as the slopes of Mt. Merapi, Mt. Lawu, and some parcels of land in Sragen and in Wonogiri. However, such waste-land (bumi oro-oro), consisted of jungle, hill slopes, or swamps, and was cleared and used not only by the villagers but by the patuh as well.

---

27 A peasants who lost his title to agricultural land, lost his status as a kuli kenceng and became a pengindung.
28 Soepomo, op.cit., p. 78.
The apanage system permitted the bekel to exercise the powers provided by the Sunan or the patuh in dealing with the members of the village community. The bekel no longer represented the interests of the peasants in the community but the interests of those in authority. In this regard, the prime consideration in the allocation of agricultural land was that only the economically productive or able-bodied males were taken into account. Consequently, when agricultural land was bequeathed by peasants, sons were usually recommended, and were therefore required to perform the assigned tasks. But when a peasant died and there was no able-bodied male in the family to inherit the land, it was returned to the village. The bekel was entitled to use it temporarily as unoccupied village land (sawah gantungan) and claim all its produce until a new land cultivator was assigned.\(^{30}\) The bekel had to make sure that any kuli under his authority was always available whenever needed so any disabled or unreliable laborers were avoided. In such cases, it was the normal practice for the bekel to transfer the allotted land from an unreliable kuli to another able-bodied peasant. As far as the bekel were concerned, the right to seize agricultural land (dedel-recht) was essential in such cases because the bekel were compelled by the patuh to achieve a certain level of performance, and to pay a certain amount of taxes or levies. However, this situation was sometimes manipulated by the bekel, who enriched themselves by dismissing peasants and then allotting the land to their relatives. When a new bekel was assigned, there was frequently the possibility of the transfer of land already being cultivated by villagers.

The weak position of the kuli in relation to the bekel was aggravated by the fact that they were restricted in making full use of the land allotted to them by the necessity to fulfill the demands for tax payments and forced labor. The Sunan, as the owner of all the land in the Sunanate, drew taxes in cash and in kind from the peasants indirectly through the patuh.\(^{31}\) Forced labor had to be performed by the kuli not only for the Sunan and the patuh but for the bekel as well. These tasks were an inherent part of the right to use agricultural land. Such was the heavy nature of these burdens that these

\(^{30}\)Soepomo, loc.cit.

\(^{31}\)"Verslag Residentie Soerakarta 1832." loc.cit.
tasks were called *sanggan* (literally burden), and agricultural land was also known as *sawah sanggan* (burden-land). Apart from these heavy responsibilities, the *kuli* were also subject to numerous restrictions. They were prevented from transferring their rights over land to any other person without the consent of the *bekel*. They were even prohibited from selling clay (*adol lempung*). The reason for these restrictions was mainly to ensure that there was always labour available to carry out the cultivation of the land and perform forced labor whenever required.

It is very hard to believe that a family of five in Surakarta was able to survive merely on the produce of one-third of a *bouw* of land. This question was debated at the end of the 19th century by the Resident of Surakarta, Spaan, and a Liberal activist, Van Kol. Spaan was of the opinion that if a peasant family was given one-third of a *bouw* of fertile agricultural land, they would be provided with sufficient rice for the entire year. On the other hand, Van Kol argued that the paddy grown on this land was just sufficient to provide the peasant's food requirements for a year but the need for clothing, and the cost of maintaining a dwelling and buying tools had to be found elsewhere. The role of dwelling land (*pekarangan*) as a supplementary source of income was mentioned by both but Van Kol also stressed the contribution of the plantation economy, the labor absorption of agricultural activities, and the involvement of female and child labour as a source of supplementary peasant income.

---

33 This was a famous prohibition in the Solo region. In the 19th century, the making of earthenware household utensils was an important household industry among peasant families in Surakarta residency. Soepomo, *op.cit.*, p. 27; "Rapport dd. 7 Maart van den Assistent Resident van Wonogiri A.J. Spaan, omtrent de rechten die in het rijk van Soerakarta op den grond worden uitgeoefend." KITLV, Leiden, p. 38.
The Dutch Planters and the Peasants

The Dutch planters found that the apanage system suited their needs for the raising of cash crops. The planters were able to make efficient use of the bekel, the land and the laborers. The bekel were not only retained as the mobilizers of labour but also as overseers in the production of the cash crops. In the second half of the 19th century, more and more apanage land was rented by the Dutch planters, who in effect, assumed the role of the patuh there.

From information collected in interviews with old peasants in Surakarta during 1986, it can be concluded that the peasants on the rented land found their situation even worse than it had been under the traditional apanage system. They recalled, while working for a plantation (cultuur-diensten), their duties also included night watch of the crop and the estates' properties, including the buildings and the residences of Dutch personnel (wacht-diensten), and the construction and maintenance of the irrigation canals, bridges and roads (selapanan-diensten). Night time, the only leisure time available to the peasants, was removed under the cultuur-diensten, since working on the tobacco fields at night time was common, especially during the land preparation period. This had never happened previously. Other peasant tasks included, as before, the growing of food crops on the land allotted to them and also on the land allotted to the bekel as salary lungguh.

Compensation for the unpaid forced labour in the field and for the estates (cultuur-diensten) was given in the form of a right to make use of a portion of land to grow food crops. This included jobs performed by the laborer and his wife and children. Each of the companies was entitled to an average of 1000 days of intiran diensten every

---

36 Interview with Martorejo, retired mandoer, Madurejo, Prambanan, 12 February 1986; Harjodinomo, the son of a kuli kenceng, Kocoran village, Gantiwarno sub-district, 10 January 1986.

37 Some of the worst aspects of the treatment of the peasants working in the rented land was recollected by an old but still reliable informant who recalled that the meal during the working day consisted mainly of raw dried cassava (gaplek) while rice was usually eaten only for evening meal. Interview with Martorejo, loc.cit.
year, for which the laborers would otherwise have had to be paid f 0.125 a day. This meant that a company was spared from paying some f 125.- to the peasants in the local tobacco-growing villages. Though this sum of money was very small to the companies, these labor intensive tasks affected the peasants' ability to produce their own food crops on their land.

A Dutch official, Van der Linden, reported very critically in 1912 on various weaknesses in the regulations covering land rental and the mobilization of labour by the companies. He noted that

"...in carrying out various tasks involved in cash crop production, forced labor (intrtran diensten) was used but no maximum amount of work to be performed was specified." ③8

In this regard, Jonquiere, the controleur in Surakarta also reported that the planters always blamed the bekel for the exploitation occurring in the plantation areas, and not by the heavy burdens demanded by the Dutch planters or whatever. ③9

On the rented lands, the main task of the bekel was to mobilize the laborers for work in the tobacco fields. But because the companies needed not only to have laborers available but to use them effectively to grow the tobacco crop, the bekel were also required to gather the peasants together in the fields every day, and make sure that the various jobs were carried out as required. In all this, they were supervised by the Dutch field officials (sinder) to ensure the high quality of the produce. When a required task was not adequately performed the bekel were the prime targets for reprimand. Consequently, failure to carry out jobs as required could result in a kuli's dismissal. This meant losing the right to use a share of the agricultural land. The peasants also had to spend part of their time and labor working on the bekels' land. This difficult situation was made even harder by the bekel because if any cash payment was given by the tobacco company, only

③9Jonquiere, "Kort...", op.cit., p. 91.
a small proportion was given to the peasant.\textsuperscript{40}

The exploitation inherent in the peasant-planter relationship had been recognized as early as 1823, by Governor General Van der Capellen who decided to prohibit the rental of land in the Principalities and later by Prince Mangkunagoro who attempted a reorganisation in the 1860s. As far as the peasants were concerned, those working on the reorganized apanage lands of Prince Mangkunagoro were better off than those working on the Dutch planters' estate lands in Surakarta. This was also noticed and supported by the Dutch officials there. However, these efforts by Prince Mangkunegoro to enhance the economy of the peasants and to expand his own plantations, were prevented from being carried further by the Dutch government in Batavia which demanded that existing contracts with the Dutch planters should be retained.\textsuperscript{41} This suggests that although some Dutch officials criticised the apanage system as exploitative and out of fashion, the Dutch government were concerned to protect the interests of the Dutch planters who was engaged in raising cash crops that were of great importance in the Netherlands.

\textbf{Land Rental by Plantations Prior to the 1920s}

In the 1890s, significant organizational change occurred in the agricultural companies which affected the nature of the relationship between the Dutch planters and the patuh in Surakarta. Before 1890, the amount of land rented by planters was generally small and the capital invested was mainly that of individuals or families so that the organization of the companies was relatively simple. By the 1900s, however, the course of plantation development in Surakarta had reached an advanced stage in the sense that the companies were by then occupying a relatively large area of land, the industry had become heavily capitalized and involved other institutions such as banking, transportation, and services more deeply in its operations. But because of the persistence of the apanage

\textsuperscript{40} Ibid.

system, the basic land rental arrangements under which the companies operated were still very unsatisfactory to the planters. The reason for this can be seen in the way land rental arrangements developed in Surakarta during the preceding fifty years or more.

Apanage landholders in the Principalities were already engaged in leasing their agricultural lands to Chinese as early as 1755, and occasionally to Dutchmen or even to other Javanese.\(^{42}\) Since the beginning of the 19th century, the Sunan had rented apanage land to Chinese for a maximum term of three years. The renter was compelled to cultivate annual crops which could be harvested in a short time in order to ensure that the tax payment was easily calculated. At this stage the cultivation of crops was still on a very small scale, and the contracts were made verbally. After the appointment of the first Dutch Residents in the Principalities,\(^{43}\) drastic changes occurred in the land rental arrangements: not only were the land rental contracts to be in writing and registered by the Resident’s office for the first time, but also a longer term of land rental of up to 15 years was also permitted.\(^{44}\) These changes resulted in a significant increase in the number of land rental contracts in Surakarta between the Sunan and patuh, and Chinese and Dutch planters.\(^{45}\)

This rapid expansion of the area rented by Dutch planters in the Principalities led to a strong reaction from Dutch officials in Batavia. Governor General Van der Capellen was very much concerned about these changes, and stated that the land rental regulations in the Principalities was the business not only of the Sunan but also of the Dutch Government. The Governor General raised this issue because the increase in the amount of land rented by Dutch planters for cash crop cultivation resulted in extensive rural disturbances in these regions, including organized banditry. This was not only threatening the au-

\(^{42}\)Details in this section have been drawn from Soepomo, \textit{op.cit.}, Chapter III, or as otherwise indicated.

\(^{43}\)A Dutch Resident was first assigned to Surakarta in 1820 and to Yogyakarta in 1818.

\(^{44}\)Simon, \textit{op.cit.}, p. 691.

\(^{45}\)In 1820, for example, there was only one Chinese planter in Surakarta Karesidenan, but in 1821 there were 63. In 1818 only eight Dutch planters made contracts with the Sunan but in the following three years there were 19, 50 and 27 respectively. P.J.F. Louw and E.S. de Klerck, \textit{Java-Oorlog van 1825-30}. Vol. I. Batavia: Landsdrukkerij, 1894, pp. 604-614.
tority of the Javanese rulers, but also that of the Dutch government and the security of Dutch residents in this region. To maintain peace and order, Governor General Van der Capellen insisted that the rapid increase in the occupation of apanage land must cease, and that the maximum period of land rental was reduced from fifteen to three years. In fact, many patuh had already received rental payments for much longer periods than were now permitted under the new regulations, so the Governor General issued a decree requiring the planters to return the lands to the patuh.\textsuperscript{46} The patuh were thus compelled to repay the land rental money to the Dutch planters, which they found very hard to do.

Van der Capellen thought that by ending the expansion of land rental in the Principalities, the economic problems of the members of the royal family and the patuh would be relieved, thus curbing any further rural disturbances in the Principalities. He intended this decree to protect the Sunan and the patuh in the belief that the rental of apanage land by Dutch planters was not only affecting the economic stability of the royal family but it was also having a detrimental effect upon the peasantry as well. Van der Capellen's objectives were good in theory but difficult to implement because long-term land rental had already been practised on a relatively wide scale. By the 1820s, there were more than one hundred contracts in existence in each region throughout the Principalities, ranging from three year terms up to twelve year terms.\textsuperscript{47} Consequently, in 1827, a year after Van der Capellen finished his term as Governor General, the Dutch government issued a decree allowing the planters in the Principalities to return to the old, longer term, land rental system, with contracts up to 15 years.

In fact, the nature of the land rental contract in Surakarta, in which various payments and deliveries were demanded by the Sunan and the patuh, left the Dutch planters feeling that they were being exploited, and this compelled them to demand a longer term

\textsuperscript{46}This unexpected Government Decree of 6 May 1823, stated that contracts made after 31 January 1824 were to be for no longer than three years. This Decree was in direct opposition to the decision of the Resident of Surakarta which allowed the Dutch planters there to seek fifteen-year land rental contract. Simon, \textit{op.cit.}, p. 884.

\textsuperscript{47}Louw and de Klerck, \textit{loc.cit.}
than that allowed by traditional law. There were various reasons for this. In the first place, it was common practice for the Sunan to demand that the patuh submit 10 per cent of the land rental money to him as police-money (politie-gelden), and insist on various other payments. The patuh were only able to meet these demands either by extending the land rental contract or by demanding cash payments and the delivery of goods from the Dutch planters and the bekel.

In dealing with the Dutch planters, the patuh were in a weak bargaining position because they were forced by the Sunan to rent their apanage lands to the Dutch planters, no matter how low the rental money. By 1891, the Dutch planters were required to submit requests for land rental to the Sunan for approval before they were dispatched to the Dutch government in Buitenzorg. More importantly, a portion of the rental money had to be set aside to be submitted directly to the Sunan. Since the cash income of the patuh tended to run out more quickly than their supply of goods, there was a tendency for the patuh to extend the period of the land rental contracts. Moreover, as the Dutch planters made a single lumpsum payment of the rental money at the beginning of the 15 or 20 year contract, it often became very hard for the patuh to support their families from the rental money in the later years of the contract. Consequently, they often demanded additional payments or deliveries of goods. In 1912, a Dutch official, Van der Linden estimated that the value of these additional payments and deliveries amounted to as much as 75 per cent of the total rental money initially paid by the planters. The peasants, who had no rights over the land were, therefore, compelled by the Dutch planters to perform forced labor and other duties for which the compensation was barely sufficient to support their families' needs. Their weak position did not, however, mean that they never reacted to the

---

48 These included a payment of 25 cents for every two bouws of agricultural land to be paid every six months as a contribution for the maintenance of the Sunan's traditional armed militia (jung-belasting) and fl. 1.- for every two bouws every six months for road maintenance (krigaji). Jonquiere, op.cit., p. 158.

49 In 1891, the Sunan issued a Decree whereby requests for rent land in Surakarta had to be submitted to the Vizier’s office to be assessed by the official in charge (Bupati Nayoko) before the land rental contract between the patuh and the planter was signed. The request was then sent to the Resident's office for approval before being passed through to Buitenzorg. Soepomo, op.cit., p. 42.

50 Van der Linden, op.cit., pp. 138-146.
unbearably heavy burdens imposed upon them; we shall see in the next section that unrest was quite common.

The reaction of the Dutch planters to the inevitably increasing financial costs resulting from these additional payments demanded by the *patuh* compelled the planters to demand that the Dutch government protect their interests in this region by pressing for longer term land rentals. It was impossible for the planters to avoid the additional payments because that was the only way to secure their business interests in this region. Through the Resident of Surakarta, the planters urged the Dutch government in Batavia to provide them with legal backing, not only in their dealings with the Javanese rulers but also in their attempts to change the unsatisfactory regulations which had been issued by the Dutch government itself.51

However, despite the extension of the land rental period, the planters still considered that the legal support provided by the government for their position in the Principalities was insufficient. At a congress held on 25 October 1868, the Dutch planters' organization in the Principalities (*Vorstenlands Landbouwondernemer*) demanded that the Dutch government support their claim to a stronger and more secure right over rented land similar to that which prevailed in East Sumatra where planters had achieved a personal legal right over the rented land (*erfpacht-recht*).52 It seems probable that apart from the perennial interest of Dutch planters in longer and more secure tenure, these demands were also due to the higher payments demanded by the *patuh* in Surakarta.53 The provision of *erfpacht*-right would have been a major deviation from the existing land rental law, and the planters' demands were criticized by the Procreur General, the highest legal authority in the Netherlands-Indies administration, who stated that "in the Principalities the

---

51 In 1827, the Dutch government issued a decree that permitted a 15 year land rental period. In 1857, a new decree was released by which a longer term of 20 years was granted, while in 1906, this was further extended to a maximum of 30 years. Soepomo, *op. cit.*, pp. 40-43.
Sunan was the only person entitled to hold such kind of right.  

The planters also found that the administrative procedures of the land rental contract were impractical, since in some cases, large numbers of patuh had to be approached to draw up a contract, because of the tiny and scattered allotments of land under the apanage system. The planters complained that some of the apanage land holders wanted an annual payment of the land rental while other patuh preferred the payment to be made monthly. Moreover, the bekti payment demanded by the patuh was increased to an amount equal to two years land rental payment for every ten year contract. However, while planters often complained about these negative aspects of the apanage system they continued to take advantage of the cheap land and labour as they liked.

After the implementation of the 1870 Agrarian Law, strong support was given by the Dutch government to private companies elsewhere in Java. At the same time, the cash crop industry in the Principalities began to develop rapidly. In 1884, the government granted the companies operating there the opportunity to expand their enterprises by allowing them to occupy up to 200 bouws of agricultural land with a land rental period of up to 30 years. The objective of this policy was to ensure the creditor that the Dutch government was attempting to develop a reasonable business environment in the Indies. Alterations by the Dutch government to the land-rent law continued to occur although the Sunan also attempted to insist that the planters respect the Traditional Laws, and all land rental contracts made by Dutch planters and the Javanese had to be approved by

54 Soepomo, op.cit., p. 41.
55 For example, in 1890 Gantiwarno estate covered an area of 1596 bouws. Of this, 272 bouws was agricultural land and the rest was dry land and settlement. To draw up the contract, the planter, Schalkwijck, had to deal with 183 apanage land holders. Van Geuns, op.cit., p. 14.
56 Bekti was the payment made by planters to the patuh at the beginning of the contract which comprised ten to twenty per cent of the land rental money. Ibid., p. 6.
57 Ibid., p. 42.
58 The 1894 regulation, Staatblad number 255, granted private capitalists in Surakarta a land rental of up to 20 years. However, in 1891 the Sunan had already issued an important local regulation regarding land rentals in his region. For any contract expiring after 1891, the permitted extension of the land rental period was to be a maximum of 10 years and the contract now had to be in writing and not made verbally as before. Soepomo, op.cit., p. 42.
the Vizier's office. The last regulation regarding the land rental in the Principalities was issued by the Dutch government in 1906, and gave further support to the European planters operations in Surakarta by granting a 30 year term of land rental.\(^5^9\) It is clear that the regulations issued by the Dutch government constantly overrode the Traditional Law issued by the Sunan of Surakarta and indicate that Dutch government officials tended to favour the interests of the planters. However, by the 1890s, the assurances of the Dutch government regarding the favourable business environment in the Principalities were badly needed not only by the planters but also by the estate banks who provided them with capital.\(^6^0\) In addition to the economic crisis of the late 1880s, a serious outbreaks of pests and diseases led to the collapse of about 30 per cent of the companies operating in Surakarta during the last 20 years of the 19th century.\(^6^1\)

The increasingly strong Dutch government support for the planters made the agrarian situation in the Principalities much more complex. Because of the bektt\(i\) payment demanded by the patuh, the planters kept pressing for longer rental periods. But this in turn caused economic hardship to the patuh, forcing them to demand all sorts of additional tributes and cash payments from the planters. Ockers, the Assistent Resident of Surakarta, reported that around 1900, bektt\(i\) payments were practised on an extensive scale.\(^6^2\) The various and increasing cash payments and deliveries demanded by the patuh were regarded by the Dutch planters as excessive, and in an attempt to solve this problem they urged the Resident to persuade the Sunan to reduce the size and number of the royal personnel.\(^6^3\) By reducing the size their income could then be increased. Theoretically, such an administrative reform would also have reduced the necessity for the additional payments to the patuh demanded of Dutch planters. The main source of income for the

\(^{5^9}\) Van Geuns, op.cit., pp. 43-44.

\(^{6^0}\) Van Geuns, loc.cit.

\(^{6^1}\) In 1880, there were 172 companies operating in Surakarta. Twenty years later, this number had fallen to 125. Van den Haspel, op.cit., p. 270.

\(^{6^2}\) This situation was also reported by Van Geuns, the Editor of the Soerabaiasche Handelsblad, who visited Gantiwarno estate in around 1900. Ockers, Grondrecht en Grondhuur in het Gewest Soerakarta. Yogyakarta: 1934, p. 6; Van Geuns, op.cit., p. 48.

\(^{6^3}\) "List of suggested and actually maintained positions of royal official in Surakarta," AKCM, ARADH. Box No. 94.
*patuh* was land, and an extension of the land rental and demands for various payments from the planters were their only means of acquiring additional income. But the longer the period of the land lease permitted by the Dutch government, the poorer the *patuh* became. Moreover, the situation was made even worse by the gambling habits of many royal family members (which resulted in the impoverishment of many *patuh*),

cheating over the payment of the land rental by some Dutch planters, and the absence of adequate maps of the apanage lands.

When the apanage system in the Sunan's territory was about to be abolished in 1908, the Dutch planters in Yogyakarta expressed their concerns in a letter sent to the Governor General on 3 December 1909, saying

"... the abolition of the apanage system and the *cultuur diensten* were, officially against the existing Land-rental Law issued by the Dutch government in 1906 (Stb. 1906, No. 93.) More importantly, in carrying out the reorganization, the Dutch government should take into account that a huge amount of Dutch capital was now invested in the Principalities, which generated a considerable part of the mother country’s revenues. It not only offered profits to the owners of capital but also employed an increasing number of European personnel in the agricultural industry in the Principalities, and in trading as well as in the cigar industry in Holland. In this regard, this great agricultural industry must go on and a secure foundation must be provided."

Throughout the 19th century, the secure foundation of the industry had depended upon the apanage system and the *cultuur diensten*. Following their fellow planters example, the Solo planters'organization raised the same ideas on 22 December 1909, and their action received strong support from the Indies sugar syndicate. This suggests that the planters were actually in favour of the apanage system, but not of the levels of *bekti* payment or the various deliveries which were forced upon them. Thus the Reorganization

---

64 Interview with Demang Harjonupikso, of Mangkunegaran Palace, 10 and 26 February 1986.
65 Ockers, *op.cit.*, pp. 6-7.
suggested by the planters was to reduce the payments but not to change their access to land and labour.

The Development of the Idea of a Reorganization

The idea of reorganizing the agrarian structure in the Principalities had first been raised as an issue in 1847 when Van Nes, the adviser to the Principalities, gave instructions that new village administrations should be formed in the villages under village-headmen (lurah desa), especially in the outer regions (mancanegara) of the Principalities.°8 The objectives of his plan were the formation of village administrations (kalurahan) with communal land rights, the introduction of land tax, and the transformation of the land rental system. Van Nes was concerned about the land rental arrangements in the region, and attempted to anticipate the negative effects of the apanage system especially on the Dutch planters and the patuh. These changes, however, were only partially put into effect in the period between 1847 and 1890. In 1891 in Yogyakarta and in 1896 in Surakarta, the first step was finally taken towards the appointment of officials at the village level with the introduction of the position of lurah desa, demang, and ronggo.°9 This reform, however, was primarily intended to create a rural police-force, and involved little change in the bureaucratic structure at the lowest level of peasant society.

The Agrarian Reorganization which was eventually put in place in the 1920s was not the first significant attempt to deal with the problem of the apanage system. In the 1860s, Prince Mangkunagoro had abolished the system of apanage holdings in all his lands except those which had been rented to the Dutch. In fact, he had also planned to abolish those, but had been prevented from doing so on orders from Batavia, which insisted that the contracts already made with Dutch companies had to be maintained. He was supported, however, by the Dutch Resident in his efforts at reform. His aim in all this

---


°9 Each ronggo supervised several bekel, who were referred to as bekel pacul. Soepomo, op. cit., p. 20.
was to ensure that his lands could be used more productively for cash-crop cultivation and at the same time to enhance the economy of the peasants. He convinced a later Resident, Jeekel, that the peasants would in fact be better off under the new system. Meanwhile, the patuh, who had lost their favoured position under the apanage system, were to be compensated by payments of fl. 10,- per jung per month. His scheme was moderately successful, being applied to about one-third of all the Mangkunagoro’s lands. But it did not go far enough to disrupt the established social-economic or political structure of the apanage system generally in the Principalities.

In the rest of the Principalities, the system continued without significant change until 1912, despite criticism of it by Dutch officials as excessively burdensome and unjust to the peasants. By this stage it was no longer proving very suitable to the needs of either the Sunan, the patuh, or the planters, quite apart from the peasants, who still had no legal rights at all to the land they cultivated under the apanage system. The growing number of royal family members and the expansion of agricultural industry demanded more and more land. But since the apanage land was unable to be expanded to meet these needs, the Sunan was reluctant to adopt any other kind of system which may have alienated the royal family members. The solution adopted was to simply go on giving more but smaller grants, rather than try to create a more efficient and practical system. As far as the peasantry in the Sunanate were concerned, compared to the position of the peasants in other parts of Java, their rights over the land they cultivated were much weaker. In the early development of the cash crop industry in Surakarta, the apanage system may have been suitable, but by the late 19th century when large scale production was introduced and a large amount of capital was invested, the apanage system was simply a mess of arbitrary claims.

The abolition of the apanage system in the Principalities would never have occurred without the approval and support of the Dutch government in Batavia. Without the green light from Batavia, the policies of Dutch officials in Surakarta would have had little or no impact. In this regard, the philanthropic views of those Surakarta officials such as
the controlleur, Jonquiere\textsuperscript{70} and the Resident, Van Wijk, who blamed the planters for the peasants' hardships. However, the reform-minded officials had to face the reality that Surakarta as a major cash-crop producing region (cultuur-centra)\textsuperscript{71} which had to be retained whatever the cost. The cheap land and labour of the apanage system could not be found in any other cultuur-centra in the Indies. Dutch officials argued, however, that the system had to be reformed because of the damage it was inflicting upon Javanese peasant society, and according to Van Vollenhoven, the abolition of the apanage system was needed to display the altruism of the state.\textsuperscript{72} And yet as far as the Dutch officials who supported reform were concerned, it was not going to be an easy task to reorganize the agrarian system in the Principalities in a way that was compatible with the requirements of the plantations producing lucrative export crops.

However, the deeper penetration of the plantation economy in Surakarta, combined with the continuation of the apanage system, created a situation which gave rise to discontent and various protests, strikes, and disturbances in the region from time to time during the latter half of the 19th century. As early as the 1860s, a messianic movement headed by Mangkuwijoyo in Klaten had aimed at removing the Dutch from Java,\textsuperscript{73} and in the 1880s, the Sri Katon affair erupted in Karanganyar district.\textsuperscript{74} Organized rural disturbances (ketju partijen)\textsuperscript{75} emerged also on a relatively wider scale in the plantation areas and were regarded as a peasant reaction to the expansion of European activity and

\textsuperscript{70}(Jonquiere,) “Korte...,” loc.cit.
\textsuperscript{71}“Letter from Rubenkonig to the Governor General...,” 27 August 1920. AKCM, ARADH, Box No. 120.
\textsuperscript{72}“Vernietiging van het apanagewesen noodzakelijk voor onzelfzuchtigheid in den staat.” In “Bijlage B Handelingen Staten-General 1911-1912,” in Soepomo, op.cit., p. 49.
\textsuperscript{73}The movement began in Merbung village, Klaten District. mr. 8 September 1865, No. X13, Kolomien 1850-1900, no. 5977, ARADH.
\textsuperscript{74}IG, 1889, Vol. I, p. 216.
In 1907, large scale rural disturbances occurred in Yogyakarta on the Kenyayan tobacco, indigo and sugar estates. In Surakarta residency, a widely reported peasants protest had occurred in 1918 at Nglinggo village, Polan sub-district. Two years before, mass disturbances had also occurred in Prince Mangkunagoro's territory, Wonogiri. Further details of some of these rural disturbances can be found in this chapter.
economic investment throughout this region.\textsuperscript{76} Other protests such as the burning of plantation properties, including smoke-houses and sugar-cane fields were also widespread in the Principalities.\textsuperscript{77} At the turn of the century, the planters in the region were alarmed by a relatively large mass strike that occurred on Kenayan estate in Yogyakarta, located near the Yogyakarta-Surakarta boundary. This strike involved about 150 peasants on a tobacco and indigo plantation, who refused to approve the occupation of their communal lands by the company and who continued to work the land themselves.\textsuperscript{78} This protest was not confined to their villages, and on this occasion the peasants also went on to perform the traditional Javanese form of protest (\textit{pepe}) by sitting down en masse in front of the Vizier’s residents.\textsuperscript{79} Prior to 1920, the low level of the payments by the tobacco estates had often been cited as the cause of rural disturbances.\textsuperscript{80} These mass movements had made the Dutch officials and Dutch planters realise that the seemingly powerless peasants were not always willing to perform burdensome tasks without adequate payments. These kinds of socio-economic and political symptoms of unrest\textsuperscript{80a} convinced the Dutch authorities of the need to place a strict limit on the arbitrary and increasing demands being made of the peasants. Moreover, these events made it clearer than ever before to the Dutch officials, both inside and outside the Principalities, that the apanage system was creating immense dissatisfaction.

Consequently, by the end of the 19th century, most Dutch officials regarded the apanage system as a primitive agrarian structure which was causing injustice and exploitation throughout the Principalities, and offered various suggestions about ways to reform the system.\textsuperscript{81} As a response to these ideas, the Sunan proposed to the Dutch authorities in 1909 that certain reforms be implemented in the Krapyak region as a pilot project. In this area of 2,500 bouws a successful agrarian reorganization was carried out by establishing village administrations and offering land to the peasants. According to Ockers, the senior Dutch officials in Batavia such as Van Heutsz and S. de Graff were also consulted on this matter and gave their approval on the grounds that the condition of the

\textsuperscript{78}The report on this affair is located in the National Archive collection in Jakarta. See Kenayan Werkstakking, Agenda 26349, 29 October 1907.
\textsuperscript{79}Van den Haspel, \textit{op.cit.}, p. 17.
\textsuperscript{80}Van Mook, \textit{op.cit.}, p. 310.
\textsuperscript{80a}Van den Haspel, \textit{op.cit.}, p. 17.
\textsuperscript{81}“Waar de Javaansche Landbouwer in Solo aan toe is bij een Europeeschen Landhuurder,” IG, 1902, Vol XXIV, part 1, pp. 1942-45; Van der Linden, \textit{op.cit.}, pp. 138-46.
peasantry had to be improved. Moreover, the then Resident of Surakarta, Van Wijck, also gave strong support to the plan. Thus the Sunan’s Agrarian Reorganization on a part of his lands, although it came about 40 years later than the Mangkunagoro’s earlier attempt, was strongly supported by Dutch officials. However, the pilot project at Krapyak was not followed immediately by further reorganization elsewhere in the Sunan’s territory because of an alleged shortage of administrative personnel and a lack of sufficient funds.

The questions surrounding the issue of compensation to the *patuh*, especially its extent and how to determine it, were major reasons for the postponement between 1908 and 1912. Moreover, financial difficulties over the salaries for personnel recruited to carry out the reorganization also contributed to the project being discontinued. An important element in the final resolution of these difficulties was that the Dutch government made a financial contribution to the Sunan’s budget to “sweeten” the reforms it was proposing.

The Implementation of the Agrarian Reorganization in the Principalities

The ideas advanced by various Dutch officials in the second half of the 19th century about the importance of an Agrarian Reorganization in the Principalities and the pressures from the Dutch planters channelled through the Resident of Surakarta were finally effective in inducing the Sunan to give serious consideration to it. Pressure from the Dutch authorities ultimately persuaded him to carry out such a reorganization throughout the whole of his territory from 1912 onwards, despite the reluctance of royal family members and the inadequacy of the administrative machinery which had caused initial difficulties and slowed the pace of the reforms begun in Delanggu under the pilot project initiated in 1908.

As far as the implementation of the Agrarian Reorganization scheme is concerned, there were four main objectives: the abolition of apanage rights and the transfer to the


83“Overzicht loopende tot 1 Januari 1917 van hetgeen in de laatste jaren in de Residentie Soerakarta is verricht tot hervorming van de maatschappelijke en agrarische toestanden,” KITLV Leiden Collection, No. H-775a.
peasants of a more secure right of occupancy over the land they cultivated; the reconstitution of the village as a unified social entity, as in other parts of Java; the conversion of the agricultural land rental into a relatively more equitable scheme; and the eradication of compulsory labor services. As far as the first two objectives were concerned, these were carried out in 167 new villages that were established between 1912 and 1916. In 1917, the Sunan issued a regulation which extended those rights to all villages in the whole Sunanate and stated that Surakarta region was to be divided into smaller administrative units, of which the village was to be considered the basic unit. The village was to be responsible for managing all lands within its own territory including sawah, tegal, graveyards, and wasteland. The village administrative body or village council was to be responsible for ensuring that no portion of the village land was occupied by or transferred to people from other villages. Moreover, the council was assigned the task of arranging the allocation of village land to the peasants. The first step to be taken, however, was to reserve up to one-fifth of the total area of agricultural land, as salary land (bengkok or lungguh) for the village council, and to provide a form of pension for the retired bekel.

In reconstituting the villages in this way, several basic considerations had to be taken into account: (1) a village had to have natural boundaries; (2) the number of cultivators per village was to be between 80 and 150; (3) the agricultural lands allotted to a village had to be situated within the same village territory where the dwellings of their owners were located, so that all those rights to land scattered elsewhere were now to be consolidated into one unit; (4) the salary land for the village council as well as for the retired bekel had to be located within the village area; (5) the allotted agricultural lands had to be of similar size, regardless of their quality or productivity, so that under this scheme all peasants obtained the same area of land; (6) the pension land of the former bekel had to be returned to the village within a certain period of time after their death;

84 Ockers, op.cit., p. 8.
85 According to the Sunan's Decree (Rijksblad or Rb.), No 15 of 1917, the Agrarian Reorganization was carried out in Prambanan, Klaten and Jatinom districts. Rb. No. 35 of 1917 covered Soerakarta, Grogol, Sawahan, Sukoharjo and Tawangsari districts. Soepomo, op.cit., p. 51.
(7) for the purposes of the plantation companies, a rotation system was to be set up in 
villages where land was rented to them so that every year there would always be a por-
tion of land available for the companies as well as enough to provide the villagers with 
food; (8) for each company there was always to be a guarantee of a fixed portion of land 
in each planting season. As far as the implementation of these basic provisions was 
concerned, the Colonial Reports of 1920 and 1921 indicate that there was room for adjust-
ment, especially in regard to item (5) and (8).

The Agrarian Reorganization should be seen as part of a broader set of reforms 
which the Dutch were trying to introduce in all the “native state” of the colony in the 
early 20th century, in both Java and the Outer Islands, which included major financial 
reforms. Two issues of central importance in this were the question of land revenues and 
the distinction between official and personal or family finances. In order to improve the 
financial administration of the Sunanate, the Dutch government had already attempted 
to introduce an improved method of managing the Sunan’s revenues in 1910, whereby the 
Sunan’s personal income was excluded from the Sunanate’s revenues. After the Reor-
ganisation, apart from taxes from reorganized apanage land, the sources of revenue of the 
Sunanate as specified in the Pranatan of 9 June 1916, No. 342, also included contribu-
tions, rental-money, and other sources such as stamp-money (zegel-geld,) which all went 
directly to the Sunanate treasury. The personal earnings of the Sunan such as taxes from 
pangrembe land and other contributions were maintained. Since the forced deliveries of 
goods which had occurred under the apanage system were now replaced by regular taxes 
on agricultural land (pajeg bumi), the cash income of the Sunanate increased tremen-
dously. Taxes and cash contributions from agricultural land became the main sources of

86 "Overzicht van de Maatsregelen, Getroffen ter Hervorming van de Agrarische en Maatschap-
pelijke Toestanden in de Residentien Soerakarta en Djokjakarta.” KITLV Leiden Collection, No. 
H-775c, pp. 22-23.

87 KV, 1920, Appendix A, p. 2; Ibid., 1921, p. 31.

88 The financial reorganization was announced in the Sunan’s Decree (Pranatan) of 29 Septem-
ber 1910. This provided that the financial accounts of the Sunan’s income were to be conducted 
separately from the Sunanate treasury.

89 Pangrembe land was land which directly occupied by the Sunan such as the Krapyak land.
"Overzicht Loopende...,” loc.cit.
the region's revenues. It was estimated that the Sunanate cash income increased tenfold after taxes in kind were entirely replaced by taxes in cash.\(^{90}\) In order to provide skills in book-keeping and accounting, a clerk from the Department of Finance was assigned to the Sunanate treasury office to train the Javanese personnel.\(^{91}\)

After the Reorganization the Sunan still retained his titulair rights as the ultimate legal proprietor of all land in Surakarta.\(^{92}\) However, his personal authority over the financial affairs and revenues of the Sunanate was effectively transferred from the Sunan himself to the Royal Financial Council, comprised of Javanese Court officials and Dutch officials. By 1918, the allocation of the annual Sunanate budget was discussed openly by the Vizier, the Resident and the Regents, as well as the Heads of various task agencies.\(^{93}\)

After 1912, the apanage lands of the Sunanate in Surakarta, which had hitherto been allotted to individual *patuh*, were progressively erased. In 1917, the remaining rented apanage land in the Mangkunegaran domain was also abolished.\(^{94}\) The implementation of the abolition of the apanage land in the Principalities was carried out on a district-by-district basis. By 1 January 1918, practically all the apanage lands in the Surakarta Sunanate had been abolished. By the end of 1916, 167 new villages had been reorganized in the Sunanate and 349 new villages in the Mangkunegaran's territory.\(^{95}\) By January 1920, the establishment of new villages had been completed in the tobacco growing areas of Klaten Kabupaten, as shown in Table 4-1.

With the abolition of the apanage lands, the *patuh* were given a monthly salary as

---

\(^{90}\)The money revenues received by the Sunanate treasury increased from fl. 631,526.- in 1911 to fl. 4,360,388.- in 1917. Income earned in 1917 included land rental paid by Dutch planters (fl. 563,099.-), *bekti* (fl. 115,840.-), stamp duty (fl. 56,000.-), *politie gelden* (fl. 40,255.-) and the Dutch government subsidy for the reorganization (fl. 130,000.-). *Ibid.*

\(^{91}\)Ibid.

\(^{92}\)This was reflected in the fact that the Reorganization merely gave the peasants a temporary right to occupy land (*hak ang gaduh*) which suggested, in theory, that, if the Sunan wished to withdraw his right from the peasants he had the power to do so. Arthy Sudjono, *op.cit.*, p. 44.

\(^{93}\)"Overzicht Loopende...," *loc.cit.*

\(^{94}\)See KV, 1920, Bijlage A, p. 2.

\(^{95}\)Jonquiere, *op.cit.*, p. 312.
compensation. All the *bekel* were dismissed, both in the Sunanate as well as in the Mangkunegaran areas. They were given either pension lands for life, or in some cases were elected as village council members entitled to occupy salary land (*lungguh*). All the land in the Sunanate had traditionally been regarded by law as belonging to the Sunan, the rights of the peasants to occupy and cultivate a piece of land or to erect a dwelling were accepted as a form of compensation for the forced labor (*heeren-diensten*) which they performed. This state of affairs was not changed by the Reorganization, but the reform did bring about the transfer from the Sunan to the village of the right to determine the occupancy of the village lands. According to Soepomo,¹⁰⁸ what happened in the Principalities was similar to what had already occurred in the areas of Central Java under direct Dutch rule, where the land received by the village was occupied communally by all villagers. After the allocation of *lungguh* for the village council, agricultural land was allotted to the ordinary villagers (*kuli andil*). Those entitled to receive a share of this land had to be able-bodied males, who each received a relatively small plot of not less than one-half of a *houw*.

---

¹⁰⁸Soepomo, *op.cit.*, p. 98.
Under the Reorganization, rights over the land were in fact transferred from the Sunan to the peasant but to the village. The allocation of land to the peasants and the utilisation of the remaining land was left in the hands of the village council, with the consent of the village assembly (rembug desa). The most substantial difference between the apanage system and the Reorganization was that whereas the peasants had previously been able to use only one-third of the agricultural land for only one season a year, the peasants were now permitted to use the land for life (anggaduh ing salawas-lawase). Thus, the “rights” of the peasants over the land they cultivated was now much stronger than before, and both agricultural land and pekarangan land allocated to the peasants was now inheritable.

As far as the relationship between peasants and plantation companies was concerned, the Reorganization laid the foundation for the development of a free market for land rental and wage labor. The land needed by the companies to raise cash crops now had to be rented directly from the village, while the necessary labor had to be acquired on a free basis, though the Dutch government allowed the companies to arrange a contractual relationship with the peasantry over a period of up to 30 years. The rental contracts made between the plantations and the peasants now gave both parties greater security than either had possessed before the Reorganization. This contractual relationship included the right of the planters to compel village headmen to ensure that everyone in the village was willing to rent their land and work in the tobacco fields. In this way, village headmen replaced the bekel as the mobilizer of labour and the peasants were regimented as contracted laborers of the tobacco estates. In the written contract, the wage payments were prescribed for the particular jobs to be performed by the peasants. The most important element in this system from the Companies’ point of view was that a more reliable continuity of access to both land and labour was now assured. Although the planters had access to available land and labor under the apanage system, the Reorganization offered them a better deal, since a fifty-year rental period (conversie recht)

---

97 Arthy Sudjono, op.cit., p. 44.
was now granted for both perennial and annual crops. In meeting the labor requirements of the companies, the old system of forced labor (cultuur diensten) was now abolished and replaced by free labor, although there was a transition period within the first five years in which the companies were still allowed to demand forced labor from the peasants.

The general objective of the Reorganization was to offer a stronger right to the peasant over the land that they occupied, but as far as the Dutch were concerned what was especially significant was the assurance of land and labour for the plantation companies and their continuing capacity to produce agricultural goods in the Principalities for the export market. The planters benefited from the Reorganization not only by their obtaining a longer period of rental, but also by the increasing security of access to land and the more regular supply of labour. The villagers benefited from the Reorganization because it offered them rights over the land that they cultivated, even though they were at the same time more tightly regimented in their dealings with the plantation companies.

The Dutch government provided compensation to cover the decrease in the Sunanate’s revenues caused by the Reorganisation and this led to the growing dependency of the traditional administration in this region upon the colonial administration and a deeper and stronger influence of the Dutch government over the political and economy life of this region. Above all, these changes contributed to deeper penetration of the peasant economy by the plantation economy in the 1920s, as we shall see in Chapter 5.

---

98 The growers of annual crops such as tobacco and sugar, however, had to pay land rental annually. "Twee Lezingen...," op.cit. p. 58.
CHAPTER 5
The Tobacco Plantations After the Agrarian
Reorganization: 1920-1930

During the fifty years that followed the consolidation of the Vorstenlands tobacco industry in the 1880s, the production of cigar tobacco in Java increased substantially.\(^1\) The Netherland Indies was the main supplier on the international market in Amsterdam and Rotterdam and was able to maintain supply and competitiveness against tobacco from other place such as Algeria and Manila,\(^2\) although other suppliers such as the United States of America and Cuba played an important part there after 1900. From the marketing perspective, the dependency of the Netherlands upon the German market caused great difficulties during World War One when the German demand collapsed. However, after World War One a more diversified market became a prominent feature, as the Dutch tobacco traders took advantage of the trends which were occurring in the world market.\(^3\)

All the tobacco exported from the Netherland Indies was cigar tobacco. Deli tobacco producers specialized in fine wrapper leaf, while the Java and Madura export varieties were broadly classified as *bladtabak* and *krosok*. *Bladtabak* (leaf-tobacco) had to be of su-

---

\(^1\) By 1913, the production of Java tobacco was 693,000 *baals*, more than five times higher than it had been in 1885, when it was only 123,000 *baals*. During the same period, Deli tobacco increased only from 283,000 *baals* to 125,000 *baals*, a threefold increase; although since the Deli tobacco companies concentrated on producing a high quality tobacco, the value of its exports was higher than the Java tobacco from the Principalities and Besuki. O. de Vries, *Onze Koloniale Landbouw: Tabak*. Vol. VIII. Haarlem: H.D. Tjeenk Willink & Zoon, 1926, p. 1.


\(^3\) Apart from Germany, Belgium and France were the main purchasers of Java tobacco which in terms of quantity dominated the Netherlands market. France was next to the USA as the most important buyer of Sumatra tobacco. *Ibid.*, p. 13.
perior quality, particularly for the wrapper class (dekblad and omblad: i.e. wrapper and binder leaf, respectively), and it was the major type produced by the estates (as well as by some peasants in particular areas such as Besuki). Krosok (known elsewhere as scrubs) was a low quality type of Java-Madura tobacco produced solely by the peasants that was used as filler because it was not considered good enough to be classified as bladtabak. Native production was largely of krosok, but it is a mistake to assume that all estate tobacco was bladtabak and all native tobacco krosok, for in the Principalities many different qualities of tobacco were produced by both parties. In general, the high quality tobacco produced in the Principalities was used as binder leaf (omblad) some of the best was equal in quality to the famous Deli wrapper leaf of Sumatra. The lowest class of tobacco was used as filler in the manufacture of cigars, for which the prices paid were much lower. Moore reported that filler tobacco predominated in the Vorstenlanden, although in the 1920s the proportion of wrapper and binder tobacco was increasing on certain tobacco estates. In the 1900-15 period, for example, the proportion of wrapper and binder leaf of the total production of Vorstenlands tobacco varied over the years, although it comprised, on average, about 40 - 50 per cent. The remainder was made up of good, medium, and low class filler (on average 25, 20, and 10 per cent respectively). These proportions have been maintained in the Principalities until recent years. By conducting various experiments in land preparation, crossbreeding of varieties, as well as in the processing stage, the planters gradually managed to improve the quality of the tobacco produced in this region was improved considerably over the years.

The 1920s was the hey-day of the tobacco industry in Surakarta residency, marked by very high profit level for the tobacco companies, even though the average quantity of tobacco exported annually was lower than in the 1910-1915 period. But quality was now being improved greatly. The employment opportunities generated by this situation, there-

---

4 In the 1920s, on Kebonarum estate for example, the average amount of binder and wrapper tobacco produced was 65 per cent of total tobacco production. On the same estate it had been 50 per cent of the total in the 1911 to 1915 period. See the Archives of the Klatensch Cultuurmaatschappij, the Algemeen Rijksarchief Den Haag, {hereafter AKCM, ARADH,} Box No. 124. 

5 Ibid.; Interview with the manager of Kebonarum estate. January 1986.
fore, stimulated economic development in the tobacco-growing areas in this Residency. One sign of this was the emergence of many more Chinese and Javanese traders than previously; another was the higher rate of annual population growth there than in the sugar-growing areas. This stimulus to economic development generated by the tobacco industry was a continuation of the 1890-1915 phase of development, although it slowed down in later years. With the 1930s Depression, the industry experienced a decade of contraction (aggravated by the complete collapse in the 1940s) from which it has never recovered to its 1920s levels of production.

In this chapter, the development of the tobacco industry in the Principalities during the 1920s will be examined - i.e. in the decade which followed the Agrarian Reorganization - an interesting period, for this was the last phase of relative prosperity and substantial technological and institutional progress the tobacco industry in the Principalities experienced before the disruptions of of the 1930s. (The overall level of production did not, however, recover in that period to the peak levels of 1911-15. See Figure 5-1 and 5-2 for an overview of tobacco production in the Principalities, Deli and Besuki between 1910 and 1930). An attempt is also made to examine the response of the companies, the Javanese elite, and the Chinese toward the economic opportunities of that time, as well as the political backing provided by the Dutch government which enabled the companies to acquire land. This official support was matched by the good prices obtained on the international market, and for greater availability of capital for agricultural investment than in the 19th century, all these factors contributing to major changes within the tobacco industry in the course of its development during the 1920-1930 period.

The Vorstenlands Tobacco Industry in the 1920s

The fluctuation in tobacco production in the Principalities at this time was, of course, closely associated with the demand side of the international market, and to some extent weather conditions. High levels of demand in any particular year were frequently followed by higher production in the following season, then falling prices; conversely stagnant markets generally brought about a decline in production in the next years. The
Figure 5-1: Production of Vorstenlands, Deli and Besuki Tobaccos, 1910-15

Source: Sumatra-en Java Tabak, Dentz & van der Breggen, Amsterdam, 1940.

Figure 5-2: Production of Vorstenlands, Deli and Besuki Tobaccos, 1920-30

Source: Sumatra-en Java Tabak..., loc.cit.
lower level of demand during World War I was caused by reduced consumption in Germany - the most important buyer of tobacco marketed in Holland - which seriously affected the marketing of Indies tobacco between 1916 and 1919 when exports were well in excess of demand. On the whole, good prices were offered on the international market between 1900 and 1930, except in the 1916-1919 period, which resulted in an increase in production of cigar tobacco not only in the Principalities but also in Besuki (see Figures 5-1 and 5-2 above). As the prices fluctuated, production was affected accordingly, as shown in Figures 5-3 and 5-4.

The prices offered on the international market from 1903 to 1910 (an average of 48 cents per pond) were roughly 50 per cent higher than in the period 1897-1902. They continued to increase in the following decades. In the period 1910-1915, the average price was 52 cents per pond (with a peak price of 105 cents per pond in 1915) and it was 57 cents per pond during the 1920s. The production level affected by the higher prices is clearly shown in the figure above. The same was true of Besuki and Java tobacco, although the prices for Java krosok fluctuated greatly during that period.

Compared with Besuki or Java tobacco, the volume of cigar tobacco production in the Principalities was much smaller although there was considerable improvement in its quality between 1890 and the 1930s. But the better quality obtained by Vorstenlands tobacco enabled it to achieve higher prices, and consequently the value of Vorstenlands tobacco was higher than Besuki tobacco during this period.6

The Agrarian Reorganization carried out in the Principalities resulted in significant changes in the industry. The 1920s marked a new era in the agricultural history of the Principalities, since the planters in this region were now granted long-term land leases similar to those of the Dutch companies in East Sumatra. The companies working in these indirectly-ruled regions were now able for the first time to enjoy long-term land

---

Figure 5-3: Production and Prices of Vorstenlands Tobacco, 1900-05 to 1926-30

Source: Sumatra-en Java Tabak..., loc. cit.

Figure 5-4: Production and Prices of Vorstenlands Tobacco, 1915 and 1920-34

Source: Sumatra-en Java Tabak..., loc. cit.
leases for up to 50 years. In the production of annual crop, such as tobacco, sugar, and indigo, the companies still had to share the land with the peasants in order to allow them to grow their staple food crops, in accordance with the glebagan-system. The peasants on the rented land were obliged to perform various forced labor services on the estate land, in return for which they were allowed to cultivate another 40 per cent of the agricultural land as a form of recompense. The remaining 20 per cent of the arable land was allotted for the salary of the village headmen. Food crops could be grown by the peasants on land not used for tobacco, in order to meet their subsistence requirements during the dry season, when the tobacco-growing season was under way, and rice was also grown on the rented land during the wet season, providing the main food crop. Thus cash crops and food crops were grown alternately on the rented land.

Theoretically, as intended by the Reorganization, the land rental contract was made between the company, as represented by the manager of the estate, and the individual peasant as the title holder of the land. In practice, the estate manager was usually represented by the field overseer (sinder), who contacted the village headmen and induced them to arrange for the necessary land and labour in their respective villages for the coming season. Moreover, not only the peasants attached to the allotted land, but also the whole population of the village, were often mobilized by the village headmen in order to meet the labour requirement of the estate.

After the Agrarian Reorganization, the Dutch planters enjoyed more security in running their enterprises than previously. This was made possible by the continuously strong backing provided by the Dutch government in Surakarta, which ensured the provision of land and labor, irrigation facilities, pest and disease control and rail transportation.

---

7 The glebagan-system of crop rotation meant that the planters as the occupants of the rented land were entitled to make use of approximately 40 percent of the land rented from villages each year for raising cash crops through the use of the peasants' labor.

8 "MvO Nieuwenhuiz 1927."

9 In the contract form provided by the company, the individual peasant and the mandoer had to agree to perform specified tasks on the tobacco fields. The contract stipulated the payments to be made and also the sanctions to be applied if the task was not satisfactorily carried out. See the details in Appendix A; Interview with Martorejo, retired mandoer, 20 February 1986.
facilities. It was agreed that in providing adequate irrigation facilities, the Dutch government would meet most of the initial capital costs, including the provision of technical personnel and the construction of the various irrigation networks, while the Sunan and the planters were to be responsible for on-going maintenance costs. In 1922, the Dengkeng Irrigation Office (Dengkeng Waterschaap) was established and a year later, the Opak-Progo Irrigation Office (Opak-Progo Waterschaap) was also set up. Although the construction of these irrigation networks was mainly intended to facilitate the raising of cash crops, they were also beneficial to the peasants for the growing of their own food crops.

As far as transportation facilities are concerned, the Dutch government had, as early as the 1870s, given approval and financial support for the construction of the railway network from Semarang to the Principalities by private companies (De Nederlands Indie Spoor-en tramsweg Maatschappij, NIS). However, in the period between 1910 and 1930, further connections from the main line to several estates were also constructed by private enterprise. The direct rail connections between stations on the main line and the estate warehouses resulted in time and costs savings for the companies. However, this measure resulted in reduced employment opportunities for labourers, such as the carters. Cooperation and assistance was provided to planters from other government agencies such as the agricultural inspectors (landbouw consulent), who were assigned to particular areas. These bodies were initially intended to provide agricultural extension programs for the local peasants also, but in practice, they were used mainly by the estates for their own purposes. These facts suggest the increasingly strong influence of the Dutch planters over the government in Batavia.

10 "Verslag NHM Solo Agentschaap 1920," AKCM, ARADH.
12 The carters were usually contracted by tobacco estates such as Wedi-Birit, Ketandan, and Gantiwarno during the tobacco season. Every tobacco company employed about 30 to 40 carters, and provided cash, in the form of a loan, for the laborers to acquire carts and oxen, and workshop facilities for the maintenance of carts during the tobacco season. Loan repayments were deducted from daily wages, and every carter was allowed to work 15 days a month with one day free after a working day. "Overgave van Juwiring Landbouw Maatschappij," AKCM, ARADH, Box No. 122.
Greater managerial efficiency, which had been a feature of the tobacco industry in East Sumatra fifty years earlier, became a prominent feature of the companies operating in the Principalities in the 1920s. This increased efficiency was reflected by measures such as those referred to above, to cut local transportation costs through the direct connection to the railway. It was also reflected in the development and re-organization of NV-KCM as a new corporate body, the United Klaten Estate Company (Vereenigde Klatensch Cultuurmaatschappij), hereafter VKCM, in 1921, and by the diversification in marketing its produce.

The VKCM was established by a few prominent planters who had been involved in the production of cigar tobacco for many years in Surakarta with the former NV-KCM forming the basis of its early operations.\(^\text{14}\) VKCM was one of nine tobacco companies working in Surakarta during the 1920s, and it was consistently able to contribute about 40 per cent of the total tobacco exports from this region. Its excellent performance was made possible by the fact that this company controlled many of the major tobacco estates in this region and also maintained good connections with tobacco exporters and Dutch government officials. Its capital stock was increased amounting to fl. 30 million, and it cultivated more than 4,000 bouws of agricultural land annually for cigar tobacco. The consolidation process of the tobacco companies operating in Surakarta will be discussed in the following section.

\(^{14}\) NV-KCM was the core company controlled by the VKCM in the early years of its operation. It was founded in 1888 by a prominent tobacco planter, Dorrepaal, and was centered on the main estates of Kebonarum and Gayamprit. Wedi-Birit was retained under Dorrepaal's control as the Wedi-Birit Plantation Company. After the establishment of NV-KCM, Dorrepaal's role as an individual planter was overshadowed by others such as Van der Wijck, the brother of Governor General Van der Wijck, and Terwogt, the manager of Wedi-Birit in 1900, who were both among the Directors of the VKCM from 1921 to 1939. By 1921, VKCM also controlled Wedi-Birit/Jiwo estate, and other tobacco estates such as Gantiwarno, Demangan-Srago, Sorogedug, Wanujoyo, Mlesen, Kebonagung, and Tempel estates. The last five estates were located in the Yogyakarta region. Apart from their role in the formation of the VKCM, these prominent entrepreneurs also established other companies which operated in the cash crops sector. These enterprises were usually referred to as the daughter-companies of VKCM, and included the Besito enterprise, Gambar company, Japara company, Pundung enterprise and Lawu company. VKCM was basically a managing company existing among the old tobacco companies such as Wedi-Birit, Juwiring, and Delanggu. In 1929, VKCM concentrated its operations on Surakarta residency and a few tobacco estates located in the neighbouring sub-district of Prambanan in Yogyakarta regency, such as Sorogedug and Wanujoyo. Another tobacco estate, Polanharjo in Delanggu Kecamatan was also controlled by this company. AKCM, ARADH, Box No. 120.
Organizational and Institutional Aspects

Unlike the experience of plantation companies operating in other parts of the Netherlands Indies, the Dutch plantations in the Principalities had a number of significant advantages which worked in their favour. In particular, they did not need to expend so much capital on opening up land, bringing in labour, or on transport facilities or guarding against the risk of crop failure, as did those plantations companies operating in East Sumatra. Physical conditions in the Principalities were better in the sense that the transport facilities already existed, the land had already been cleared and there was no necessity to provide food and shelter for the laborers who already resided in the region. In the Principalities, the contract for acquiring land was just as simple as in East Sumatra, but the planters did not have to face the same risks of weather and pests.

With these natural advantages working in their favour, the plantation companies experienced further improvements in their organization during the 1920s. And although the area planted was much lower than it had been in the previous decade, the profits gained appear to have been substantially higher. The earlier trend towards large corporations continued in the Principalities during the 1920s. According to Allan and Donnithorne

"Extensive plantations were a condition of economical production because of the indivisible nature of some of the factors employed such as the highly paid European staff of supervisor and expert, and the equipment for research. Large units of control were an advantage because of the risks involved in the production of tropical agricultural commodities, the markets for which proved to be very sensitive to both secular and cyclical change. European investors invited to subscribe capital to undertakings of this character in distant lands were the more ready to respond if the appeals came from substantial and well established financial groups."  

As mentioned previously, the NV-KCM was reorganized and substantially increased

16 ibid., p. 72.
in size in 1921 when it was radically reconstituted. It was now based legally in the Hague as a Netherlands-based company under the new name of the VKCM, *Vereenigde Klatensche Cultuurmaatschappij* (the United Klaten Estate Company), established by the successors of G.L. Dorrepaal, namely W.A. Terwogt, C.Th. Thurkow, and M. Paul Voute. Its head office was located at 36 Wassenaar Street, the Hague, previously the office of both the CM-Wedi-Birit and the NV-KCM. VKCM was basically a managing office (*administratie kantoor*),\(^\text{17}\) established on the basis of capital accumulated from the operations of NV-KCM during the previous years when it had controlled both tobacco and sugar estates in Klaten.\(^\text{18}\) The establishment of the VKCM and its daughter companies reflected the big changes that occurred in the history of most agricultural enterprises in the Indies in the 1920s. The reasons for its formation appear to have derived from the fact that the management of the old NV-KCM recognized that a much stronger capital base was needed if they were to be able to cope with the fluctuating conditions prevailing in the export crop sector, especially after the difficulties experienced during the 1916-1919 period.\(^\text{19}\) As part of an attempt at restructuring the VKCM, the first step was to incorporate several major tobacco estates in Klaten, including CM-Wedi-Birit, the most important tobacco estate in the region. After this take-over, the land controlled by VKCM was expanded from 4,000 *houws* to 5,000 *houws*. Like Dorrepaal in the 1880s, the new company diversified its interests to embrace various cash crops, especially sugar and tobacco. Six years later, it had expanded its operations to control a total of nine major tobacco estates in the Principalities, as well as eight sugar factories located in both the Principalities and in Semarang. By the late 1920s, the area of land planted by VKCM with sugar and tobacco in the low-land areas for both the Principalities and elsewhere in

\(^{17}\)“Klattensche Cultuurmaatschappij, KCM 1887-1962” in “Private Organizations in the Economic Field,” ARADH.

\(^{18}\)Until 1920, NV-KCM operated the Gondangwinangun-Jetis and Jogonalan sugar factories, the Gayamprit tobacco estate, Papringan-Kebonarum, Gantiwarno, Demangan, and another two tobacco estates in Yogyakarta. Until the formation of VKCM, Wedi-Birit/Jiwo remained an independent company managed by Dorrepaal. *Ibid.*; *Java Tabak*. Amsterdam: Dentz and Van der Breggen, 1917.

\(^{19}\)During this particular period, Indies tobacco was not able to be marketed in Holland and was stored in warehouses in Rotterdam and Amsterdam. Because of the post-war economic recovery of Germany, the market revived during the 1920s. Moore, *op.cit.*, p. 5.
Central Java totalled about 14,000 hectares. Some perennial crops were also grown by the company on about 2500 hectares of land.\(^{20}\)

Initially, the main concern of VKCM was the group of former NV-KCM estates, but in late 1927 it expanded its operations by undertaking the management of several other major tobacco and sugar estates and other perennial crop estates in the Principalities and elsewhere in Central Java. Mirandolle Voute & Company, a general exporter based in Semarang, which was the general and financial manager of VKCM and agent of various estates, was appointed as the company’s representative in Java to handle the export of produce to the Netherlands. A branch office in Klaten was established under H.C. Van der Wijck, who was also the chief manager of the company’s estates in Surakarta, and in Yogyakarta, a special superintendant, J.S. de Haan, was also appointed.\(^{21}\)

In order to obtain political backing from the Dutch government in Batavia, it was also necessary to develop a lobbying capacity. For this purpose, the Company appointed Jhr. H.C. van der Wijck, formerly the representative of the NV-KCM in the Netherlands Indies, as one of its supervisory directors. Van der Wijck happened to be the nephew of former Governor General Van der Wijck, while his uncle, C.H.A. van der Wijck, had been a prominent businessman in Surakarta, and the managing director of KCM before 1920.\(^{22}\) Thus, VKCM was now in a good position to obtain political backing from the Dutch government.

This restructuring and reorganization of estate companies was not restricted to those operating in the Principalities. In the year of the formation of VKCM, one of the East Sumatran tobacco companies had taken a similar step, when the well-known tobacco


planter, Herbert Cremer, organized the *Cultuur Maatschappij 'De Oostkust'* in Amsterdam. The main interest of this company was tobacco, although it also had side-interest in rubber. Apart from merging the companies controlled by him, *Deli Maatschappij* and *Senembah Maatschappij*, Cremer skilfully minimized the risks in establishing a huge corporation by also involving several other heads of big tobacco companies working in this region, namely Fremery of *Deli Batavia Company* and Van den Arend of *Tabak Maatschappij 'Arendsburg'*. Both these men became managing directors of the new venture, while Cremer was appointed to the position of chairman of directors.²²

Increasingly sophisticated organization, as well as a further level of concentration of capital, characterized the agricultural industry in both the Principalities and East Sumatra during the first three decades of the 20th century. The individually-owned and managed enterprises that had been operating in the Principalities in the 1870s were gradually replaced by the giant corporation which now dominated the region. The main companies set up in Klaten during the last few decades of the 19th century had been the NV-KCM, CM-Wedi-Birit, Juwiring Company, as well as the Delanggu Company and several others. The smaller companies had started their operations with a capital of no more than f 500,000.-. The total capital investment amounted to f 30 million.²⁴ By the late 1920s, however, VKCM had by then taken over the management of all nine companies²⁵ still operating. In 1913, there were still 40 tobacco estates operating in Surakarta, but by the end of the 1920s, this had been reduced to only nine. The biggest enterprises were VKCM and the Temulus Company, which each occupied 4,000 *bouws* and 2,000 *bouws* of tobacco land across Surakarta Karesidenan respectively. The rest occupied land averaging 500 *bouws*.²⁶ As mentioned above, a similar trend was also evident in East Sumatra, the 170 tobacco estates working in this area in 1889 had decreased

²⁴ AKCM, ARADH, Box No. 124.
²⁵ This included the following former NV-KCM companies: Gondangwinangun, Kebonarum, Gayamprit, Gantiwarno, Demangan, Sorogedug and Wanujoyo, as well as Wedi-Birit/Jiwo, Polanharjo, and two other sugar factories in Sragen and Semarang. Wright, *loc.cit.*
dramatically to 72 by 1930.\textsuperscript{27} The capital concentration occurring in the industry was matched by growing specialization among the companies involved in the raising of cash-crops.

The capital invested in the companies operating in East Sumatra had to be greater than that of those in the Principalities or Besuki. VKCM had f 30 million capital invested in the Principalities in the 1920s, but the companies in East Sumatra had, in fact, been investing equally large amounts of capital since the 1870s. The same was true in Besuki; LMOD had invested about f 1.2 million in its operations ever since the 1870s. In relative terms, the capital invested by VKCM, which included sugar mills as well as tobacco producing facilities, was not as great as the capital invested in East Sumatra, although it was far more than was invested by LMOD in Besuki.\textsuperscript{28} The capital invested by the companies was obtained partly from the estate banks (\textit{cultuur-banken}), other financial institutions or through the issuing of shares sold on the stock market or by setting aside the profits gained during good years.\textsuperscript{29} The rapid development of agricultural industry in Java was made possible by the substantial support from the estate banks, whose role became increasingly important during the 1920s.\textsuperscript{30} The larger corporations mobilized their capital requirements mainly through share issues, while some other capital


\textsuperscript{28}Sumatra en Java...1921-1922-1923. loc.cit.

\textsuperscript{29}During the 1922-1929 period, VKCM was able to distribute an annual average dividend of 15 per cent. The reserved capital from the first year of its operation in 1921 was fl. 0.7 million, while the greatest amount of reserved capital ever accumulated was the sum of fl. 5.5 million in 1927. This capital was used for acquiring several companies in Central Java, such as the sugar factory in Jepara. From 1930 to 1934, the company was still able to set aside reserve capital, although several losses were experienced. See the financial statement of NV. VKCM for the year 1922-1939 in AKCM, ARADH, Box No. 122.

\textsuperscript{30}In the sugar industry, for example, the total output of Javanese sugar, which amounted to 1,348,000 metric tons in 1915 and 2,261,000 tons in 1925, increased to 2,913,000 tons in 1929. In that year the capital invested in the industry was estimated at fl. 794 million. Allen and Donnithorne, \textit{op.cit.}, p. 84.
was obtained from company mergers.31

From the 1890s onward, the various other institutions involved in the various agricultural industries also became highly specialized. The 20th century agricultural companies were characterized, among other things, by the fact that the owners were quite separate from the management of the estates, both legally and physically. The companies were usually based in the Netherlands, with representative offices set up in Java to act as a link between the estate manager and the head office in the Netherlands. The chief manager of the companies sent monthly reports to the Java branch office, which prepared a monthly review of their activities for the head office. In unusual circumstances, such as any rural disturbances, the chief manager was required to make a special report directly to head office. This bottom-up flow of communication was matched by the top-down flow from Holland which usually contained the general policies to be carried out by the managers and the representative offices in the Indies.32 A horizontal communication channel was also developed among the estate managers employed by the various companies working in the Principalities, and it was not uncommon for correspondence to pass between the various managers in the area in regard to such matters as peasant riots, as we see in the case of the disturbances that occurred at the Kenayan sugar factory (in the eastern part of Yogyakarta) in 1907, on which such documentation is available, although no such reports of similar troubles on tobacco plantation were to be found.33

To assist them in their dealings with the Dutch government, the Surakarta planters

31 In 1922, the VKCM issued fl. 50,000.- and fl. 10,000.- shares and fl. 1000.-, fl. 250.-, and fl. 100.- undershares. During the same period, “De Ostkust” Company issued fl. 100,000.- shares, while fl. 12,000,000.- of capital was mobilized from company mergers with the Deli Company {fl. 6,000,000.-}, the Deli-Batavia Company {fl. 3,000,000.-}, the Senembah Company {fl. 2,000,000.-}, and the Arensburg Tobacco Company {fl. 1,000,000.-}. Shares entitled their holders to vote in the shareholders’ meeting, while the undershare was simply the division of a single share. *Sumatra en Java...1914.* loc.cit.; personal communication from Prof. Makaliwe, 10 December 1987.

32 Numerous examples of this type of correspondence can be found in various archival deposits of the VKCM held in the General Royal Archives, at the Hague. “Klattensche Cultuurmaatschappij, KCM 1887-1962.” *Archieven Betreffende Cultuur Maatschappijen en Werkzaam in Nederlands Indie-Indonesie.* ARADH, Inv. No. 2.20.02.

33 See, for example, “Letter from the Manager of Kenayan sugar factory to the Chairman of Solo Planters Organization,” *AKCM,* ARADH, Box No. 120.
had formed the Solo Planters' Organization (Solosche Landbouwer Vereeniging) in the turn of 20th century. This body played an important role in resolving various problems between its own members, and especially those arising between the companies and the Dutch authorities or the indigenous rulers of the Principalities. In dealing with the Javanese rulers, the planters were usually represented by the Dutch authorities in this region, namely the Resident or Governor. During the Great Depression of the 1930s, this organization played a very important part in bargaining over the reduction of transportation costs.

From the above account, it can be concluded that the tobacco companies in Surakarta had developed in such a way that their land and capital requirements had been secured and the market for their produce had improved very considerably during the first two decades of the 20th century. A better administrative structure, financial support from the estate banks, as well as improved marketing procedures in the Netherlands as the main purchaser of their produce, provided a sound basis for taking advantage of the brighter prospects of the tobacco industry in the Principalities during the 1920s. Unfortunately for them, however, this "golden age" lasted only ten years before the World depression shattered their hopes of further expansion.

Prices, Costs of Production and Profit Levels

The 1920s were generally better years for tobacco planters in Surakarta than the first half of the previous decade had been. During the 1920s, fewer companies were operating in this region and a smaller area was planted. However, prices were high and the total value of tobacco exports during both periods was similar, which suggests that the gross earnings of the individual estates in the 1920s must have exceeded those of the

---

34 In solving land problems and other matters, the Resident scheduled a weekly consultation with the Sunan's Vizier, the Crown Prince, and Prince Mangkunagoro. See the letter sent by the Chairman of the Principalities Planters' Organization, Mr. A. Paets tot Gansoyen to the Resident of Surakarta. "MvO Resident Heisdingen," 1932.
1910-15 period, as also did the level of dividends paid.\(^{35}\) The high levels of profit which prevailed throughout the 1920s enabled VKCM to develop rapidly and win control of other cash-crop enterprises operating in other parts of Java.\(^{36}\) The prices of tobacco produced by the Wedi-Birit, Kebonarum, Gayamprit and Polanharjo estates during the 1920s were generally better than those of the 1910-1915 period. Of the four estates, Wedi-Birit proved to be the most successful producer of high quality tobacco and in most years achieved the highest prices.\(^{37}\)

As far as the production costs incurred by the tobacco estates are concerned, there were significant differences between the costs paid by the companies before and after the Agrarian Reorganization. Before it occurred, payments to the peasants were relatively low, since most of the work in both the production and the processing stages was carried out by forced labor, referred to by Resident Spaan as *cultuur-diensten*.\(^{38}\) After the Reorganization, wage labour was used in the sorting and fermenting sheds, even though the labour required for the production stages was still carried out on a contractual basis. According to D. Tollenaar, a former Director of the Vorstenlands Tobacco Research Station, after the Reorganization the companies' costs consisted of the fixed payment (*borongan*, i.e. “contract”) paid to the Javanese peasants plus other payments to the peasants for additional wage labour, salaries and expenses for the European personnel, as well as capi-

\(^{35}\)In the 1920s, the number of companies operating in Surakarta decreased dramatically and only 20 per cent of those in operation in 1913 remained in existence by the end of that decade. The quantity of tobacco exported during the 1920s was also below the peak production of the 1910-1915 period. An annual average of about 120,000 *baals* were exported in the 1920s, while in the 1910-1915 period about 150,000 *baals* had been achieved. The value of the annual average tobacco exports from 1910 to 1915 and from 1920 to 1930 was about fl. 11 million while the annual average dividend paid was 22 per cent and 60 per cent respectively. *Sumatra en Java...1940*, op.cit., p. 37; *Java Tobacco*, loc.cit.; “Verslag NV-KCM 1939,” AKCM, ARADH, Box No. 120.

\(^{36}\) *Sumatra en Java...1928*, op.cit., pp. 16-18; “Production Figures of Tobacco Estates During 1916/1917-1931/1930,” AKCM, ARADH, Box No. 122.

\(^{37}\)The average price for all grades of Wedi-Birit tobacco exported during the 1916/17 to 1931/32 seasons was 66 cents, whereas Gayamprit averaged 58 cents, Kebonarum 55 cents and Polanharjo 53 cents per pound respectively. In some years, such as 1916/17, 1921/22, 1924/25, and 1926/27, Wedi-Birit estate produced tobacco which was able to command extraordinarily high prices, although all Vorstenland tobacco was in great demand in those good years. *Sumatra en Java...1921-1922-1923*, loc.cit.; *Java Tubak*, loc.cit.

tal overheads, including land rental and other miscellaneous expenses within the Netherlands Indies, transport and insurance to Holland, and auction expenses in Holland. Production costs were very much dependent upon the quality of the soil, since the heavier the soil, the higher production costs usually were. In Klaten regency, production costs were highest in Polanharjo estate of Polan Kecamatan, due to the fact that soil conditions were generally heavy there. Hence, the gebrus-silak technique of soil preparation had to be implemented on this estate, a method which was time-consuming and expensive. On other estates, such as Gayamprit and Kebonarum, land preparation mainly involved the use of draught animals, so the amount of human labor required was less significant.

From 1916 to 1920, the profit margins of the companies in the Principalities were low or negative because of the fall in European demand during World War I. The ratio of production costs to the European price of cigar tobacco was then about one to two and the situation became even worse in the 1920/21 season. On the one hand, the prices of cigar tobacco had not yet recovered; in fact, in most cases they fell even further due to the poor quality of the crop, which resulted in many parcels of tobacco remaining unsold in Holland. On the other hand, the actual costs incurred by the companies increased substantially due to higher prices. In that season costs generally exceeded the price of Vorstenlands tobacco, so the companies did not make any profit at all. However,
this situation did not occur again during the remainder of the decade, when the tobacco companies generally experienced golden years of high profits.

The increasing prices of tobacco on the international market resulted in substantial profits for the companies involved in tobacco production in Surakarta. This is revealed by the performance of NV-KCM during the years 1920 to 1930, as is indicated in Table 5-1.

**Table 5-1: Profits Obtained by NV-KCM, 1920-1930**

<table>
<thead>
<tr>
<th>Book year</th>
<th>Profits (000 guilders)</th>
<th>Reserved capital (000 guilders)</th>
<th>Dividends paid to shareholders (In per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1916</td>
<td>fl. 3,930</td>
<td>fl. 3,698</td>
<td>60</td>
</tr>
<tr>
<td>1920</td>
<td>fl. 3,903</td>
<td>fl. 5,578</td>
<td>152</td>
</tr>
<tr>
<td>1921</td>
<td>fl. 1,359</td>
<td>fl. 5,914</td>
<td>50</td>
</tr>
<tr>
<td>1922</td>
<td>fl. 319</td>
<td>fl. 7,579</td>
<td>31</td>
</tr>
<tr>
<td>1923</td>
<td>fl. 220</td>
<td>fl. 6,743</td>
<td>65</td>
</tr>
<tr>
<td>1924</td>
<td>fl. 501</td>
<td>fl. 6,075</td>
<td>72</td>
</tr>
<tr>
<td>1925</td>
<td>fl. 493</td>
<td>fl. 5,160</td>
<td>80</td>
</tr>
<tr>
<td>1926</td>
<td>fl. 387</td>
<td>fl. 5,160</td>
<td>n.a.</td>
</tr>
<tr>
<td>1927</td>
<td>fl. 359</td>
<td>fl. 4,276</td>
<td>101</td>
</tr>
<tr>
<td>1928</td>
<td>fl. 432</td>
<td>fl. 4,530</td>
<td>83</td>
</tr>
<tr>
<td>1929</td>
<td>fl. 341</td>
<td>fl. 4,481</td>
<td>19</td>
</tr>
<tr>
<td>1930</td>
<td>fl. 336</td>
<td>fl. 4,481</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Source: *AKCM, ARADH, Box No. 120.*

The highest prices for tobacco during the period between 1910 and 1920 had occurred in 1915. In the following year, NV-KCM was able to record a profit of more than fl. 3.93 million, the highest profit it ever recorded between its foundation in 1887 and the outbreak of World War II in 1939. High profit was also obtained from 1919/20 season crop, fl. 3.90, as reported in 1920 book year. But this high level of profit declined in the following year due to bad harvest.

During the 1920s, the rising demand for tobacco on the international market in Holland, due to the recovery of the German economy and its stronger purchasing power for cigar tobacco, raised the price of tobacco imported from the Indies throughout decade.
Prices peaked in the 1924/25 season, when Wedi-Birit tobacco was able to command 130 cents per pound, while Gayamprit averaged 89 cents and Keboanrum and Polanharjo obtained a little over 80 cents. The good results of the 1920s resulted in very high dividends for shareholders every year, even though the production costs were generally increasing during this decade (see Figures 5-5 and 5-6).

On the marketing side, we see that by the 1920s an efficient marketing network had been built up between the tobacco companies in the Principalities, the various tobacco exporters in the Netherlands Indies and the tobacco importers in the Netherlands. There were at least sixteen importers in the Netherlands in the early 1910s, all working in close conjunction with the tobacco companies in the Principalities. Of those importers, the two most important firms involved in purchasing tobacco from this region were H.G. Th. Crone and Mirandolle Voute & Company, both based in Amsterdam. Both these firms continued to play an important role in the tobacco industry until the end of Dutch colonial rule. In the 1920s, Crone handled approximately 25 per cent of all tobacco produced in the Principalities and imported the total production of a number of Surakarta tobacco companies, including as Ngupit, Temulus, Manang, and Ketandan, as well as that of Bulus and Wringin companies in Yogyakarta. Mirandolle imported about 50 per cent of the tobacco grown by the VKCM and several other companies including Delanggu, Juwiring, and Manjung. The remaining production was divided between the other fourteen importers. In Holland the role of tobacco brokers was vital to the marketing of the produce, since only officially approved brokers were allowed to conduct the auction of tobacco in Amsterdam. The well-known Amsterdam broking firm, Dentz & Van der Breggen, had been actively involved in marketing cigar tobacco produced in the Indies from as early as the 1860s. Importers of Vorstenlands tobacco such as Mirandolle and Crone had a good relationship with this broking firm, which was the sole broker marketing all the tobacco exported from the Principalities.

---

43 In the case of another company, the Juwiring tobacco company, the dividends paid from 1920 to 1927 were 30, 52, 152, 102, 314, 108, 44 and 180 per cent respectively. AKCM, ARADH, Box No. 20.

44 Java Tabak 1916, op.cit., p. 16.

45 See the data on tobacco exported from the Indies to Holland as reported by this broker in "Sumatra en Java...1940," loc.cit.; Java Tabak 1916, Ibid.
Figure 5-5: Prices per Pond of Vorstenlands Tobacco, 1916/17 - 1931/32

Source: AKCM ARADH, Box No. 124.

Figure 5-6: Costs of Production of Vorstenlands Tobacco, 1916/17 - 1927/29

Source: AKCM ARADH, Box No. 124.
A new method of marketing Indies tobacco in Holland was introduced in the 1920s. The tobacco exported from Sumatra, Java and parts of Kalimantan was shipped to Amsterdam and Rotterdam, where it was sold at public tender, a procedure known as "inscription". This method employed the use of sealed bids. Potential buyers remained unaware of the bids of their competitors and endeavoured to submit the highest bid. The result was that tobacco frequently sold at higher prices than would have obtained under the open auction system employed in the USA. The scarcity of buyers that sometimes occurred, created a disadvantage for the sellers at an open auction, so the auction method began to grow unpopular. Hence the brokers introduced the inscription method. Sales were transacted in bonded warehouses, the market being an international one. All Vorstenlands tobacco destined for the USA had to be purchased directly in the Netherlands and then shipped to the USA. The producing companies did not permit it to be sold in the Indies or shipped directly to the USA. The first tobacco shipments began to arrive in Amsterdam about the beginning of September and continued weekly until the end of July. Immediately upon arrival in Amsterdam, the tobacco was placed in bonded storage warehouses until the day of sale. The sales were carried out between January and July and were all arranged for the producers by particular brokers who made a specialty of that business, acting as intermediaries between producers, importers and the buyers.

On the financial side of its affairs, each tobacco company had its own particular source of capital. Two estate banks in particular had a close relationship with the tobacco industry in Klaten, the Internationale Crediet- en Handelsvereeniging Rotterdam (commonly known as Internatio) and the Nederlandsche Handels- Maatschappij (NHM). These banks were intended by their Dutch founders not only to undertake ordinary commercial banking and to finance the shipment of produce, but also to invest their capital in tobacco enterprises and import their produce to Holland. Internatio was involved both in financing the production of tobacco and importing tobacco from Gawok Company, Kemudo Estate and Mrs. de Wed. Lengkering's estate in Werudalem.

The details in this paragraph are based upon the account provided by Moore, op.cit., pp. 17-19.
The Klaten Research Station and the Tobacco Industry.

The cigar tobacco industry in the Principalities had to provide itself with access to the latest technology to cope with any problems of pests and disease. The increasing demand for a higher quality product compelled the companies to improve their cultivation practices and processing techniques. Various experiments were carried out involving not only agronomists but also soil scientists and plant breeders. Close cooperation on these matters, not only among companies but also between companies and government agencies, contributed to significant achievements in improving cigar tobacco quality in the Principalities during the 1920s.

In the year 1898, the first significant step was taken by the directors of the Klaten Estate Company, a director of Wedi-Birit Company and a director of 's Land Plantentuin in Buitenzorg, to set up a foundation at their own expense for the study and development of Vorstenlands tobacco. This culminated in the construction of an research station at Wedi plantation in 1907. The results of the experimental activities carried out there were published in a scientific periodical called *Mededelingen van het Proefstation voor Tabak*, established in 1909. The involvement of agricultural scientists like H.J. Jensen and Dr. O. de Vries proved to be very important for maintaining the continuity of the publication. Various aspects of tobacco production were covered in the research station's experimental program, such as soils, fertilizer, planting techniques, and the drying of tobacco leaf. This research station was maintained by two companies working in Klaten regency, while the other companies became associated with the General Research Station for Central Java in Salatiga, which had opened a branch office for Vorstenlands tobacco, with its main laboratory in Klaten, in 1907. In 1912 the General Research Station was

---

48 The Wedi-Birit Company and the Juwiring Company.
49 The research station in Klaten concentrated upon experiments with tobacco and indigo crops. The other companies, especially those producing coffee and sugar, joined the General Research Station which carried out experiments on perennial crops.
closed and its activities were merged with the Vorstenlands Tobacco Research Station 
(Proefstation voor Vorstenlands Tabak) in Klaten. The relationship between this research 
station and the Director of Agriculture remained close, and the appointment of the direc-
tor and staff of the station were made on his recommendation. The size of the research 
estation’s personnel increased rapidly, and in April 1916, there were 34 companies enlisted 
as regular contributors to it, contributing fl. 74,000.- to the research budget in 1916/17.50 
These funds were used to support various experiments covering all aspects of tobacco 
production, including soils, land preparation, fertilizers, selection of varieties, plant spac-
ing, pruning, harvesting methods, drying, fermentation, leaf burning quality, and control 
of pests and diseases.

The major scientific breakthrough made by this station was the treatment of 
lanas.51 Of all the major diseases which afflict the tobacco plant, the lanas fungus is the 
most destructive, causing losses ranging from 15 to 20 per cent of the crop every season. 
The disease can be found in the root, stem and leaves and can be transmitted through 
dried stems and the soil. It was believed that diseases like lanas were spread by carriers 
but the method was at first not known. It was later discovered that, this was because of 
the common practice of leaving the dried stems in the fields for the peasants to collect 
after the leaves had been harvested. After the green manure crop (crotalaria) had been 
planted and had reached a certain size, the dried tobacco stems were rooted up and used 
by the peasants as fire wood. However, these were not always burned immediately, so any 
fungus-infested stems were able to re-infest the plants in the following season.52 This oc-
curred on a large scale in the 1934/35 season, when lanas spread over the whole Klaten

50Compared to the sugar research station in Jatiroto, East Java, for example, the annual budget 
of this station was relatively small. Experiments were conducted in the actual tobacco fields and 
processing sheds of particular estates, and a special room was usually set aside in the smoke-house 
for the station to carry out experiments. The equipment used by the tobacco research station was 
simple and inexpensive. Interview with Ir. Wahyono, the Director of PNP XIX Research Station, 
51The major diseases of Vorstenlands tobacco were lanas {Phytophtora parasitica}, liyer 
{Pseudomonas solanacearum} and mozaik {krupuk} virus.
52“MvO CM. Juwiring.” AKCM ARADH, Box No. 120.
area in the following season. There are numerous other pests and diseases of tobacco plants, their infestations being very much dependent, according to van Gorkom, upon factors such as weather, soil and land preparation techniques, as well as the degree of skill and care taken in tending the crops as they are growing.

In order to control *lanas*, several special techniques for land cultivation, seed preparation, and the handling of the dried stems had to be developed. In this regard, the role of the research station was very important in its efforts to produce a *lanas*-resistant variety. This work was pioneered by d'Agremond, a plant-breeder working at Klaten Research Station in 1915, who attempted to crossbreed the Vorstenlands tobacco variety, Kanari, and a *lanas*-resistant variety, Timor, imported from West Java. Finally, in 1936, a *lanas*-resistant, high quality tobacco variety called TV-38 (*Timor-Vorstenlanden-38*) was developed, which was maintained as the main variety grown from then on.

Various special land preparation techniques and methods of applying fertilizers were implemented to control pests and diseases. The *gebrus silak* technique was practiced on a more extensive scale in tobacco fields in the 1920s, and clay and Chile Saltpetre (CS-NaNO3) were used to improve poor quality soil. In heavy soil, such as in Polanharjo, the application of clay was necessary in order to improve the burning quality of tobacco leaf. Seed preparation and handling of the young seedlings were also thoroughly studied and tested, and the method of handling tobacco leaf during harvest was given special attention. All these efforts resulted in an increased yield on several tobacco estates in Klaten between 1906 and 1928.

---

53 Ibid.
55 Kanari was a high quality Vorstenlands tobacco variety. Rukmadi Prasetyo, *op.cit.*, p. 34.
56 Interview with Ir. Wahyono, *loc.cit*.
57 Interview with Village Council members in several tobacco-growing villages: Kocoran and Tangkisan in Gantiwarno Kecamatan; Gadungan, Sidorejo and Trotok in Wedi Kecamatan; Polan in Polan Kecamatan, February-March 1986.
58 Another method to improve the quality of soil, known as the Raciborski method, used a mixture of clay and Saltpetre Ammonia (ZA). Beets, in Hall and Van der Koppel, *op.cit.*, p. 451.
The increased yields of the tobacco estates, as shown in Figure 5-7, resulted from the implementation of various improved techniques both in the production and processing stages, as developed by the research station. Particularly high yields of nearly 1200 kilograms per *bouw* were obtained by Wedi-Birit estate during that period, although this estate had the additional advantages of excellent soil and an efficient management overseeing its operations, hence a very high-quality product.

**Figure 5-7: Yield per Bouw of Wedi-Birit, Gayamprit, Kebonarum, and Polanharjo Tobacco Estates, 1906-29**

Source: AKCM ARADH, Box No. 124.

The research station made a significant contribution not only to increasing yields but also to improving the quality of tobacco produced by estates throughout the Klaten regency. It was found that the highest quality tobacco came from the middle leaf (*mid-blad*), followed by the top leaf (*top-blad*) and then the sand leaf (*sand-blad*). With thorough and careful land preparation, proper use of fertilizers, pest and diseases control, and careful handling during the harvest and processing stage, higher quality tobacco was
generally achieved during the 1920s.\textsuperscript{59}

The continuous technical and scientific improvements developed by the research station were made possible by the participation of the various Klaten tobacco estates which supported the station with capital and provided facilities for carrying out experiments. The longest and most difficult, but very important experiment, was in the crossbreeding of tobacco varieties, culminating after 20 years in the production of the above-mentioned lanas-resistent variety. This was a milestone in the history the Vorstenlands tobacco industry, for it remains the major variety grown throughout the Principalities until the present day. The high yields and big profits obtained by the companies during the 1920s were certainly a result, in part, of the basic work conducted by the tobacco experts at this research station.

\textsuperscript{59}This was reflected in an increase in the percentage of middle leaf out of the total amount of tobacco leaf exported. Compared to the first half of the previous decade, the percentage of middle leaf in the 1920s was significantly higher. This increase in middle leaf production was clearly shown in the case of Kebonarum estate, where the average proportion of middle leaf produced during the 1920s was above 65 per cent, whereas it had been only 50 per cent in 1911 to 1915. In the grading system, apart from sand leaf, middle leaf and top leaf there was also a small percentage of loose tobacco leaf (losblad). Thus, the total tobacco exports of these three grades did not always total 100 per cent. These trends are shown by Table 5-2.

\textbf{Table 5-2:} The Percentage of Sand Leaf, Middle Leaf and Top Leaf Tobacco Produced by Kebonarum Estate, 1911 to 1928

<table>
<thead>
<tr>
<th>Year</th>
<th>Sand-leaf</th>
<th>Middle-leaf</th>
<th>Top-leaf</th>
</tr>
</thead>
<tbody>
<tr>
<td>1911</td>
<td>25</td>
<td>54</td>
<td>21</td>
</tr>
<tr>
<td>1913</td>
<td>25</td>
<td>47</td>
<td>28</td>
</tr>
<tr>
<td>1915</td>
<td>28</td>
<td>53</td>
<td>19</td>
</tr>
<tr>
<td>1920</td>
<td>29</td>
<td>61</td>
<td>10</td>
</tr>
<tr>
<td>1922</td>
<td>16</td>
<td>70</td>
<td>12</td>
</tr>
<tr>
<td>1924</td>
<td>21</td>
<td>68</td>
<td>11</td>
</tr>
<tr>
<td>1926</td>
<td>25</td>
<td>64</td>
<td>11</td>
</tr>
<tr>
<td>1928</td>
<td>24</td>
<td>64</td>
<td>11</td>
</tr>
</tbody>
</table>

The Response of the Javanese Elite and the Peasants

The closer links created between the cash-crop growing areas of the Netherlands Indies and the international market resulted in new economic opportunities for some members of the royal families of the Principalities as well as the Dutch planters. The Agrarian Reorganization certainly provided the peasants with stronger rights over the land that they cultivated than they had possessed before, but traditionally the land still belonged to the Sunan; hence they could be compelled to rent their lands to anyone. Therefore, the Sunan and Prince Mangkunagoro ensured that all the land needed by the Dutch planters was made available in their respective regions. Moreover, the Reorganization offered them more favorable conditions to expand their own agricultural business interests. The peasants, however, although effectively powerless, voiced their opposition from time to time to low rental payments and expressed their reluctance to rent their lands to either the Dutch planters or the Javanese rulers.

Over the course of the previous century, the Javanese rulers had learned many things from the agricultural enterprises managed by Dutch planters. They noted the profitability of various crops, the methods of organizing the peasants' labour on the estates and the suitability of various soils for particular crops in different parts of the Karesidenan. During the period prior to the 1920s, when much of the apanage land in the Principalities had fallen into the hands of Dutch planters, several of the Javanese Princes had attempted to conduct experiments with cash-crops on a small scale. In the 1920s, the plantation previously owned by the royal families of Yogyakarta no longer existed, but both Prince Mangkunagoro and the Sunan of Surakarta found favourable opportunities for expanding their enterprises after the Agrarian Reorganization. Prince Mangkunagoro now

---

60 In the 1880s, the Crown Prince of Yogyakarta had opened a small indigo and tobacco plantation on land in Pakem, in the northern part of Yogyakarta Karesidenan, and Prince Paku Alam had a small indigo plantation in Adikarto, in the western part of Yogyakarta. In Surakarta Karesidenan, Prince Mangkunagoro had begun to operate cash-crop enterprises as early as the 1850s and by the 1870s these had expanded to a level where he was regarded as a serious competitor to the Dutch companies operating in Surakarta. KV, 1881, p. 185; A.K. Pringgodigdo, Geschiedenis der Ondernemingen van het Mangkunagorosche Rijk. 's-Gravenhage: Martinus Nijhoff, 1950, pp. 37-42.
concentrated his attention on the sugar industry rather than coffee, while the Sunan favoured the tobacco industry, although he also had a sugar factory at Manisharjo in Beji Kecamatan. The 1920s proved to be good years for the tobacco enterprises owned by the Sunan, and during this decade his tobacco estates experienced significant development, as shown in Table 5-3.

Table 5-3: Production and Prices of Tobacco from the Sunan’s Estates During the 1920s

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (In baal)</th>
<th>Prices/pound (In cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1911</td>
<td>1,850</td>
<td>25.5</td>
</tr>
<tr>
<td>1920</td>
<td>2,028</td>
<td>47</td>
</tr>
<tr>
<td>1922</td>
<td>3,272</td>
<td>44</td>
</tr>
<tr>
<td>1924</td>
<td>4,823</td>
<td>67</td>
</tr>
<tr>
<td>1926</td>
<td>7,895</td>
<td>88</td>
</tr>
<tr>
<td>1928</td>
<td>9,617</td>
<td>61.5</td>
</tr>
<tr>
<td>1930</td>
<td>12,421</td>
<td>58.5</td>
</tr>
</tbody>
</table>

Source: *Sumatra en Java Tabak...*1921-22-23; 1926; 1928; 1931. *loc.cit.*

In 1911, the Sunan’s plantation in Ampel, Nguntoroharjo and Tegalondo had totalled only about 500 *bouws,* and their total production was still less than 2000 *baals,* sold at an average price of 25 cents. Thirteen years later, production had more than doubled and the price had also significantly increased. In 1928, production on the Sunan’s estates continued to increase to more than 9,000 *baals,* although the price started declining because of the rapid expansion of total area planted.

The increased production of annual cash-crops grown on the estates of the Sunan and Prince Mangkunagoro throughout the 1920s simply reflected the generally more favourable environment for plantations that developed after the Agrarian Reorganization.

---

61  *Sumatra en Java...*1912, *loc.cit.*

62  During the 1921-1923 period, the area planted by the Sunan’s tobacco companies was about 400 *bouws.* This expanded to more than 800 *bouws* by 1930. *Sumatra en Java...*1921-1922-1923; 1931. *op.cit.*
Apart from the fact that the Sunan and Prince Mangkunagoro were required by the Dutch authorities to grant land leases of 50 years duration to the Dutch planters in Surakarta, they themselves were now in a better situation than before to acquire land to expand their own enterprises, and there was no longer as much interference from the Dutch government in Batavia. On this basis, both the Javanese rulers and the Dutch planters were relatively satisfied with the situation created after the Reorganization.

As far as the other members of the elite are concerned, there was not much scope for their participation in the plantation enterprises. In this basically patrimonial society, the Sunan, the Sultan and the Prince were the only figures in their respective territories able to accumulate substantial landed property. Consequently, only this handful of persons had access to the capital needed for the opening up of large plantation. Apart from the fact that the Sunan or the Sultan did not want to see anyone else emerge as economically powerful in their territories or as potential rivals, the sheer lack of access to capital was the major constraint upon other members of the elite wishing to join in such enterprises. Some members of the lower elite took part in the industry, mainly as employees, as had been the case on Prince Mangkunagoro's estates. The Crown Prince of Yogyakarta also opened up several indigo and tobacco plantations in Bantul, but these ceased after several years of operation.

If the Javanese elite was largely satisfied with the situation generated by the Reorganization, what was the response of the peasants to the changed conditions within Surakarta residency? After the Reorganization, the peasants in Surakarta were in theory no longer merely laborers who could be mobilized by the village headmen as before. However, because the abolition of the apanage-system meant the loss of cheap land and labour to the planters, the Dutch government was able to persuade the Sunan and Prince

---

63 The Javanese rulers of these regions traditionally were the owners of any resources available in their territories, including the land, the people, the animals and the trees. There was no clear difference between public property and the ruler's property. A discussion of patrimonial society can be found in R. Bendix, *Max Weber: An Intellectual Portrait*. London: Methuen & Co. Ltd., 1960, pp. 334-48.

64 Pringgodigdo, *op.cit.*, pp. 46-47.
Mangkunagoro not only to grant long-term rental contracts for land but also to guarantee the availability of labour to the planters. Use of the peasants' land and labour were secured through written contracts which bound the peasants and their allotted land to the tobacco companies. The advantage of these contracts to the peasants was that they now received fixed payments as compensation for the use of their labour, while the land rental money was paid by the tobacco companies directly to the Sunan. The payment for peasants' labour represented the introduction for the first time of the idea of a free-labor principle in the tobacco industry, after the Reorganization took place.

As far as rural disturbance in cash-crop growing villages is concerned, there were significant differences between the periods before and after 1920. Before 1920, these peasant protests had occurred in both sugar-cane and tobacco areas, but thereafter they seem to have occurred predominantly in the sugar areas. This suggests that the peasants of tobacco areas were better-off than those in sugar areas, which may have been why they were now more willing to make their lands and labour available to the companies.

65 The land rental money paid by the tobacco companies to the Sunan's treasurer indicated that the land in Surakarta basically still belonged to him.

66 According to this principle, a certain amount of money was paid when a package of work had been completed. If a peasant was unable to carry out the work, he had to find someone to replace him, and consequently the payment went to that peasant instead. The free-labor principle was implemented so that the peasants' income was calculated on the basis of the work performed. Ockers, Grondrecht en Grondhuur in het Gewest Soerakarta. Yogyakarta: 1934, p. 67; P. de Kat Angelino, Vorstenlansche Tabaksenquete. 's-Gravenhage: Martinus Nijhoff, 1929, p. 65.
Peasants and Wage Laborers

The labour requirements of the plantation dominated the daily life of the peasants, and the longer they were involved in the industry the deeper its impact upon them. After the Agrarian Reorganization, the role of the bekel as labour mobilizers and overseers was replaced by the village headmen and mandoer. In theory, the peasants were now to be directly approached by the plantation companies when the arrangements for their land and labour requirements were being worked out and officially the peasants were supposed to sign a written contract between the company and the peasants. But in practice, all of the arrangements about contracts were handled by the village headmen. In his study of the peasants in sugar-growing villages in Java during the early period of the 1920s, Van Gorkom\(^6^8\) described how the peasants became virtually mere paid laborers on their own land at subsistence wages. But unlike the peasants in the sugar areas, the peasants working on tobacco estates were involved in tobacco production for as much as nine months of the contracted year and remained free to grow their own rice crops on their land during the wet season, which enabled them to ensure their basic food supply. Thus it would appear that the impact of the tobacco estates upon the peasantry in Surakarta was not as deep as it appears to have been in the sugar industry. The exact nature of the impact of the tobacco industry upon the peasants will be discussed in this section.

The rights of the peasants over the land they cultivated were generally enhanced by the 1918 Reorganization. On the other hand, the Dutch planters who had for so long been used to the apanage-system were worried by the effect of this Reorganization. In 1923, the Sunan as well as Prince Mangkunagoro began to grant them long-term leases of up to 50 years.\(^6^9\) From this period on, the peasants received titles as the cultivators of the land as well as the right to the dwellings they lived in, and while this resulted in significant differences in the peasant-plantation relationship, the peasants (kuli-kenceng) in the con-


\(^6^9\)“Alphabetische Lijst van Landbouwondernemingen in het gewest Soerakarta, 1930,” Mangkunegaran Library.
tracted villages were still compelled to make available a portion of their lands to the planters for the growing of cash crops. Thus, the planters no longer had to make many contracts with a number of patuh or bekel, but with village headmen instead. The newly organized villages now had more inhabitants and were much bigger than the former kebekelan, now averaging approximately 200 peasants. Thus in respect to these administrative matters, the Reorganization made the work of negotiating the land leases much easier for the plantation companies to arrange.

Although the Reorganization strengthened the position of the peasants over the land they cultivated, we must ask whether their bargaining power was relatively stronger or weaker than before? The answer to this question can be found partly in the nature of the contracts drawn up between the peasants and the companies. Unlike the conditions which prevailed under the apanage-system, the availability of land was not always matched in the 1920s by the availability of sufficient labour. After the Reorganization, the rental land was granted for a long period, but at the same time the peasant had also to sign a labour contract, which required him to carry out all of the tasks specified during the production stage on the tobacco estates, including land preparation, raising seedling, transplanting, tending, and harvesting. This also included the process of drying off the leaf in the smokehouses, and then delivering it to the sorting sheds. (Examples of the contract between peasants and the company, and the mandur and the company are contained in Appendix A and Appendix B.) Both the rights and obligations of the peasant were clearly stated in the contract document. The rights of the peasant included fixed payments to be made by the tobacco company for land preparation and for other minor tasks carried out during tobacco production. On the other hand, the specific duties of the peasant were also clearly listed, as well as the sanctions to be applied if the peasant was unable to complete them properly. These contracts made the peasant-company relationship significantly different in the 1920s from that which had prevailed under the heyday of the apanage system, when the peasants could always run away if the burdens imposed on them became too heavy.
By the 1920s, the plantation companies had acquired a lot of experience and knowledge about the most efficient and effective methods of growing tobacco for the international market, as we have seen careful handling was recognized as a top priority requirement at all stages of the production process. The requirements were clearly spelled out in the detailed duties explicitly mentioned in the contract, including the specific details of land preparation and the tending of the crops. As a contracted laborer, the peasant had to carry out all the duties described in the contract. Discipline was very strict, and during the tobacco growing season the peasants were required to spend most of their time working in the fields. The contracts clearly stipulated that they had to work 7 hours a day, 7 days a week. At certain times such as the harvesting season, the peasants and their wives often had to spend more than 12 hours a day working on the plantations to gather in then tie the tobacco leaves together for hanging (sunduq) in the smoke-house. For the planters, the contracts had the advantage of securing the essential skills they required as well as an assured supply of land and labor. Special payments were no longer made, (such as those which had been paid for gebrus-silak work during land preparation before the 1920s) but were now incorporated into a total package of payments for land preparation (borongan money), which averaged approximately f 35.- in total for every peasant’s family per season. Apart from the borongan money, there were various other minor tasks for which payment was made, such as sunduq, the clearing or uprooting of the harvested tobacco stems, and the watering of the new season’s tobacco seedlings. The borongan money was paid six times annually, as production in the fields progressed. In contrast to the practice under the apanage-system, paid and unpaid tasks were clearly stipulated in the contract. Consequently, the peasants were made aware of their rights and under the new peasant-company relationship, they were able to check on whether they were being cheated by the tobacco company or not.

One final point to notice here is the change in the arrangements made after the

---

70 De Kat Angelino, ibid.
71 The payments were made at certain times in April, May, July, Agust, September, and December.
Agrarian Reorganization for the cultivation of food crops by the peasants in the tobacco-growing areas. Because they were now increasingly required to devote their time and labour primarily to tobacco cultivation, they were often unable to give adequate attention to their foods crops and consequently tended to become more dependent on the cash incomes they received from tobacco plantation. Thus they were in effect becoming part-time laborers and part-time peasants on land that was now effectively under the control of the tobacco companies. Particularly important in all this was the fact that the tobacco companies would not allow them to grow certain types of crop at all on the rented land, such as peanuts, local tobacco varieties and chillies, on the ground that they were carrier of diseases and pests which could be harmful to the estates' tobacco plants.

In order to meet the food requirements of the population in the tobacco areas, therefore, the plantation companies operating in the Principalities now introduced, under the prompting of the Dutch authorities, what came to be known as the *paddy-kongsen* system. This was an arrangement under which part of the land rented by the company was used to grow paddy during the wet season. This system was suggested in 1920 by Rubenkonig, the President of the *Bond van Vorstenlandsche Landbouwondernemers* (Planters Organization in the Principalities). That the supply of food for the population in the rented land should also be adequately provided. It now became the responsibility of the Dutch planters to provide sufficient land and labour from the rented land for growing sufficient food crops for the peasant families concerned. Prior to 1920, tobacco companies did not have to do this; in fact, several tobacco companies like Trucuk, Jonggrangan and Pandan Simping normally grew other cash-crop such as indigo from December to February. But it was the peasants who had to shoulder much of the burden of cultivating the *paddy kongsen* crop. Apart from clearing the former tobacco field, uprooting the stripped tobacco plants and then digging the land for the rice crop, the peasants had to pay for the cost of the seeds and any other labour costs. In return for their labour, they

---

72 Letter from Mr H.D. Rubenkonig, the representative of the Principalities Planters Organization (*Bond van Vorstenlandsche Landbouwondernemer*) in Netherlands Indies and the chairman of Surakarta Planters Association to Governor General, Yogyakarta, 27 August 1920, *AKCM, ARADH*, Box No. 120.
were entitled to keep 50 per cent the harvest. The companies usually allowed the peasants of those lands to purchase the remainder of the *paddy-kongsen* harvest, deducting the payment for it from the peasants' *borongan*-money and the payment of the *sunduq* in the smoke-house. Because of the many tasks demanded of the peasants by the estates, they had little time left to attend to their own food crops, which meant that poor harvest often resulted; this meant that they were forced to rely more and more on the *paddy-kongsen* system to meet their food requirements, which left them increasingly dependent on the estate. This sort of dependency relationship was presumably very convenient to the company, because the more the peasant became dependent upon it, the stronger its bargaining power over him. Thus the effect of the fixed cash payments and the *paddy-kongsen* system was, ultimately, to strengthen the ties between the peasants and the tobacco companies to whom they were contracted.

The food requirements of the peasants' families were therefore met by the hulled paddy made available out of the *paddy-kongsen*. Other requirements such as clothing, the maintenance of housing, the purchasing of tools, and cash for tax levies had to be found from any other sources of income they could find. Because the peasants were so constantly occupied in the tobacco fields, their wives and children were usually compelled to work in the smoke-houses or the fermenting sheds at very low wages to earn some extra cash. In the 1920s, child employment was very common on the tobacco estates in Surakarta.73

**Labour Recruitment**

After the Agrarian Reorganization, the labour requirements of the plantations for the cultivation and processing of tobacco leaf had to be met by employing paid laborers, mainly the *kuli kenceng* and his family members. Previously, the organization of tobacco cultivation was basically the *bekels*’ responsibility and they recruited laborers who also carried out the various other tasks for relatively low levels of payment. By the 1920s,

---

73 Interview with Partosakirno, 20 January 1986; Polan Village Council, Polan sub-district, 21 March 1986.
tobacco cultivation had already become a tradition in many peasant families in Klaten.\footnote{De Kat Angelino, \textit{op.cit.}, p. 54.}

In the case of a long-established estate producing a single cash-crop, labour recruitment presented few difficulties, but when a different crop was introduced, for example, the replacement of sugar or indigo with tobacco, the recruitment of skilled laborers became a problem.\footnote{De Kat Angelino, \textit{op.cit.}, p. 55.}

Until the beginning of the twentieth century, there were still many mixed estates in Klaten. A major tobacco estate, like Trucuk, was still growing indigo during that period\footnote{RA, 1911, p. 638.} and changes were still occurring in Klaten regency until 1930, with many mixed estates becoming changed into tobacco estates.\footnote{De Kat Angelino, \textit{op.cit.}, p. 55.} On the other hand, such changes might also mean a loss of employment for other peasants, due to lack of skills required by the works in the sorting and fermenting houses. Unlike the laborers working on indigo plantations, who had inherited their special skills and experience of that crop from their parents, the skilled laborers employed in the tobacco sorting sheds required training before they began.\footnote{The development of cash-crop agriculture in the lowlands of Klaten was characterised by the gradual change from diversification to specialization. Apart from the affect this had upon capital requirements, the companies also found it very hard to recruit skilled laborers. Sugar factories, for example, required more capital than tobacco or indigo. See Allen and Donnithorne, \textit{op.cit.}, p. 83.} This created problems in the newly expanding tobacco areas, as we see in the case of Tegalgondo. On this former indigo estate, recruitment of female labour created difficulties since the peasant women there had never participated in such activities (\textit{matoteng nate}-Javanese) and were reluctant to be trained for work in the sorting sheds. A more flexible situation occurred when a tobacco estate was converted in part from a sugar estate, as occurred in Jogonalan Kecamatan, for the skilled laborers from the sugar areas appear to have found employment in the neighbouring tobacco fields. In the 1920s, labor recruitment problems in tobacco estate in Klaten were not only caused by lack of those skills, but also by cultural factors, such as the reluctance (\textit{mau}) to learn new skills which had not been used previously by their ancestors.\footnote{The tobacco companies provided a ten-day period to instruct new workers in the skills required in the sorting sheds. During the training period the new workers were employed as daily laborers and after the skills had been mastered they were re-classified as skilled laborers. \textit{Ibid.}}
The employees of the tobacco companies were usually classified as permanent staff, either as monthly or weekly paid employees, or as daily wage laborers. The permanent staff were highly paid and usually very few in number, being almost entirely Europeans with hardly any Indonesians recruited. The monthly or weekly paid laborers, were also mostly Europeans, although there were a few Indonesians, while the daily wage laborers were entirely Indonesians. Women and children were also recruited as daily wage laborers for certain activities which did not require special skills, such as cleaning the smoke-houses, binding the dried tobacco leaf (ngunting) and untying the fermented tobacco leaf (jembrengan). The low wages of female and child laborers reflected not only the tobacco companies' policy of seeking cheap labour, but were also a reflection of the intense need for additional income among the peasants.

Female and child labour recruitment was commonly practised by tobacco companies operating in other parts of Java also. In Besuki and Pasuruan, for example, women and children under twelve years old were employed for periods often exceeding seven hours a day. These bad labour conditions were discussed in the Volksraad, and the legal basis of the employment of the children under twelve years old and women at night time was questioned. In response to this, the Head of the Labour Office sent a letter to K.J. Bijl, the chairman of the Planters’Organization in the Principalities (Vorstenlandsche Landbouwvereeniging or VLV), seeking his approval to carry out a survey on these issues. In dealing with the problem of the exploitation of female and child labour on the tobacco estates in East Java, the Director of Labour approached the managers to implement prohibiting female employment at night time or the recruitment of children under twelve on their estates. Meanwhile, an important survey on the employment of children and women in the tobacco industry was conducted in the Principalities by P. de Kat An-

79 Women earned about 75 per cent of the wage paid to men while children were paid about 50 per cent of the adult male wage. Interview with Partosakirno, loc.cit. and Martorejo, loc.cit., 4 May 1986.
80 See the preface by A.G. Vreede, in De Kat Angelino, op.cit., p. v.
81 The letter was dated 15 February 1926, No. M 3/2/6. Ibid., p. 1.
This investigation reported that throughout the 1920s, the recruitment of female and child labour was widely practised on the tobacco estates in Klaten. However, the report tended to adopt a company-oriented approach, and claimed that the employment of children under twelve and women at night time did not occur on the tobacco estates in Klaten. The role of the tobacco companies in providing employment opportunities to peasant families was also stressed in the report.

But according to my own informants, the employment by tobacco companies of children under twelve years of age and female laborers at night was a common practice throughout Klaten Kabupaten, although this was never mentioned in the report, which defended the tobacco companies operating in Klaten. In fact, children were commonly recruited as cleaners (kepedak) in the smoke-houses or in the sorting sheds by the tobacco companies operating throughout Klaten Kabupaten. A lack of information about labour recruitment in the tobacco industry in Klaten and a tendency in the report to overstress the positive contribution of tobacco companies in generating economic opportunities for the kuli kenceng and the landless laborers seems to have showed the industry in an excessively favorable light.

Apart from these matters of female and child labours recruitment, other aspects of labour conditions were also far worse than was reported by the Directorate of Labour.

---

82 The study team, headed by P. De Kat Angelino, the Inspector of the Directorate of Labour, and assisted by Raden Iskandar, conducted its enquiries on tobacco estates in the Principalities between January and April, 1928. Ibid.
83 In several small tobacco estates such as Juwiring and Pandan Simping, almost all the available female laborers in these tobacco areas were recruited as either permanent or daily laborers. The study found that the involvement of women and children in the tobacco industry had already reached a critical level. Ibid., pp. 55-56.
84 Ibid.
85 Interviews with various retired mardoer, smoke house contractors, managers, and peasants in various tobacco-growing areas in the Kecamatan of Wedi, Polan, Kebonarum and Prambanan. November-December 1985.
86 Interviews with members of the village councils in Polan village, Polan Kecamatan; Kalitenggah village, Wedi Kecamatan, May 1986; Praptosudarmo, 18 April 1986; Partosakirno, loc.cit.
From my interviews with older villagers in various tobacco-growing villages in Klaten regency during 1985, it became evident that the labour conditions on the estates during the 1920s were very bad. According to these informants the seven-hour day, as laid down by the Directorate of Labour was in most cases exceeded and conditions in the sorting sheds were generally unhealthy, because they were usually poorly lit and insufficiently ventilated. The smell of tobacco was very strong and most people disliked working in the sheds. The long working hours, night-time employment and low wages all contributed to making the industry in Klaten a target for severe criticism from the early nationalist leaders. As a reaction to these conditions, Cipto Mangunkusumo, a prominent nationalist figure, organized a protest movement on the tobacco estate at Polanharjo in 1918. This movement obtained widespread support among peasants in the tobacco-growing areas in Surakarta around the beginning of the 1920s.

The tobacco companies constructed a hospital in the town of Klaten and a clinic in Prambanan Kecamatan, near Candi-Sewu estate, to provide medical treatment for the *kuli kenceng* and their families, as well as the population generally. Yet the provision of these medical facilities was located fifteen kilometers away from the peasants' houses and no transport facilities were accessible to them. Most of the patients, who were treated in these centres were found to be suffering from illness aggravated by the unhealthy en-

---

87 During harvesting, it was common practice for the peasants to work more than twelve hours a day while women in the smoke houses were also compelled to work until late at night. The peasants usually harvested the tobacco crop between seven and ten a.m. while the women and children were recruited to tie the leaf in the bamboo stocks (*sunduq*). In the afternoon, the peasants started hanging the tobacco. This work was usually completed at mid-night. Thus during the harvesting period from October to December, the *kuli kenceng* and their families spent practically all of their time in the smoke-house. Interviews with the members of the village councils of Polan village, Polan sub-district, Kalitengah village, Wedi Kecamatan, Kocoran village, Gantiwarno Kecamatan, *loc.cit.*; Partosakirno, *loc.cit.*; Praptosudarmo, *loc.cit.*.

88 This movement attacked tobacco companies for the poor labour conditions in the sorting sheds and also for the low wages. See "Letter from Harloff, the Resident of Surakarta, to the Governor General," *Mailrapport*, no. 322x/19, in *AKCM*, ARADH, Box No. 94.

89 Pantinirmala, a small hospital constructed by Ketandan company, was opened in 1925. Two years later, NV-KCM built Tegalyoso hospital in the town of Klaten. Pantinirmala was located in Prambanan, eight kilometers to the west of the town of Klaten. It provided medical facilities for the peasants of Ketandan, Trucuk and Ngupit estates (which were located three to five kilometers to the east of Klaten town) and Pandan Simping estate to the east of Prambanan (See Map 5-1). De Kat Angelino, *op.cit.*, pp. 110-11.

90 In most cases, patients were brought to the hospital in tobacco company vehicles with the consent of the estate manager. *Ibid.*, p. 109.
Map 5-1: VORSTENLANDS TOBACCO PLANTATIONS IN THE PRINCIPALITIES IN 1935

Source: Hall & Van de Koppel, 1949
vironment, especially the dust from dried tobacco leaf. However, De Kat Angelino's report laid the blame for these problems upon the unhealthy condition of the peasants' own houses rather than the conditions in the sorting sheds where the laborers had to spend more than seven hours a day during the processing stages between November and April every year.

Thus throughout the 1920s, women and children were widely recruited as laborers; but the regulations about a seven-hour working day and limits on the employment of children were frequently broken by the tobacco companies in order to cut production costs. Night-time employment of female laborers in smoke houses occurred because the work-load was excessive. This problem could have been resolved by hiring additional laborers, but the economic pressures to cut production costs represented the strongest motivation for tobacco companies to employ female laborers. Criticism from the Volksraad and the nationalists had no effect, since the tobacco companies retained such strong backing from the Dutch government in the production of an important export crop which was of such importance to the Netherlands.

The Social and Economic Position of the Peasants

From the 1860s on, much of the land and labour in the lowlands of Surakarta, especially Klaten, had been used by the plantation companies for growing cash-crops. In the main tobacco-growing villages, several generations of peasants became involved in the industry and the relationship between the peasantry and cash-crop cultivation affected the lives of the population not only in their methods of meeting their basic needs, but also in its effects upon the internal structure of the peasant communities. The form of labour-bondage relationship created by the apanage system was retained and very effectively exploited by the Dutch planters until the Agrarian Reorganization. Then in the 1920s, a

\[\text{91 Skin diseases such as patek and framboesia, a chronic contagious disease, were reportedly widespread among tobacco estate laborers. Ibid., p. 110.} \]

\[\text{92 An overview of the notion of bondage can be found in A. Reid, "Introduction: Slavery and Bondage in Southeast Asian History," in A. Reid, ed., Slavery, Bondage and Dependency in Southeast Asia. St. Lucia: University of Queensland Press, 1983, pp. 1-43.} \]
different but not entirely dissimilar type of relationship come to be established in the tobacco industry in the Principalities. Despite the fact that the tobacco companies now generated cash payments to the peasants on a wider scale, the new contract arrangements caused the peasant economy to become even more dependent upon the plantation economy. The cash payments made by the tobacco companies may have increased the purchasing power of the peasant, as is suggested by the emergence of petty traders, both Chinese and Javanese. But when the world market for tobacco collapsed in the 1930s, the entire economy was seriously disrupted. On the other hand, it must be said that the tobacco villages appear to have been not as intensively affected by plantation agriculture as the sugar-growing areas, where the land and labour were tightly bound to the needs of the sugar mills.

The Land Requirements of the Tobacco Companies

The area planted with tobacco throughout the 1920s was significantly smaller than it was in 1910, whereas the area planted with sugar cane increased steadily after 1900. This trend was due, among other things, to the slowness of the recovery made by tobacco companies after the difficult years following World War I. In the second decade of the 20th century, the average annual area planted with tobacco in Surakarta had been about 10,000 hectares, approximately the same as the area under sugar in the region during the same period. However, the area under tobacco fell even further to an annual average of about 6 - 7,000 hectares during the 1920s, while the area planted with sugar cane in Surakarta steadily increased and had almost doubled by the late 1920s. The difficulties which arose during World War I resulted in a stagnant market for tobacco from 1916 to 1919 and most of the many small enterprises which had previously operated in this sphere abandoned tobacco cultivation in favour of other crops. This phenomenon was accompanied by a further concentration of ownership in the 1920s. The fact that high-quality

---

93 Rukmadi Prasetyo, *op.cit.*, p. 2; “Letter from Rubenkonig to the Governor General..." 27 August 1920, *op.cit.*

94 In 1915, about 10,000 hectares was planted with sugar cane. This increased to about 18,000 hectares in 1929. See O'Malley, “Plantations 1830-1940: An Overview," Paper prepared for presentation at the Conference on Indonesian Economic History, Australian National University, 16-18 December 1983, Table 5.
tobacco could only be cultivated successfully on the limited area of suitable land available in Klaten Kabupaten also helps to explain the decline in the area planted with tobacco in the 1920s. This concentration deeply affected the peasants' own agricultural pursuits in Klaten regency, being further aggravated by the expansion of sugar plantations in this area during the same period.

De Vries, a Dutch tobacco expert, claimed that the glebagan system resulted in a symbiotic relationship between cash-crops and food crops. Under this system, according to him, the peasants' land and labour could be used harmoniously by both the peasants and the plantations companies. Theoretically, there was always sufficient land and labour for the peasants to grow their own food crops, while the tobacco companies occupied the other plots of land. Both plots were used alternately by the peasants and the companies for their own purpose. In practice, however, the peasants were unable to tend their own crops adequately because so much of their time had to be spent working in the tobacco fields.

After the Agrarian Reorganization, the tobacco crop was grown on land rented directly from the village. In meeting their requirements for land to raise the tobacco crop, the companies had to rent a total area of land double the area actually planted in any particular season. This meant that during the 1920s, the tobacco crop involved about 12,000 hectares or 35 per cent of the sawah in Klaten. If tegalan land is also included, the area planted with tobacco comprised only 20 percent of all agricultural land. But a very different picture emerges when we look at the overall impact of all plantations, taking into account the area under sugar cane also. Sugar cane needed 16 months to reach

---

96 De Vries estimated 250 per cent. This estimate included dry land or pekarangan. Rukmadi states that 200 per cent was essential. See De Vries, op.cit., p. 14; Rukmadi Prasetyo, op.cit., p. 4.
97 In 1920, the sawah land in Klaten covered 33,987 hectares, and the tegalan land 25,210 hectares, giving a total area of 59,188 hectares. “Geographical area, native arable land total and per capita, population density per district in 1920 on Java and Madura,” Landbouw Atlas van Java en Madoera, p. 20-23.
maturity, and was grown consecutively in both of the plots of the peasants' land. In the 1920s, the area under sugar in Klaten was about 8,000 hectares. Considering the fact that in the 1920s the sawah and tegalan land in Klaten Kabupaten totalled 59,000 hectares, these annual cash-crops occupied an area totalling about 28,000 hectares, nearly a half of the available agricultural land in this kabupaten. Since, every hectare of agricultural land was, on average, occupied by three peasants, these cash-crops directly affected the economy of well over 110,000 peasant families, a substantial proportion of the kuli kenceng working on the best agricultural land in Klaten Kabupaten. Apart from the rented land, there was also some unrented land (kejawen land), in particular the swampy but fertile land in Delanggu and Karangdowo Kecamatan. The working of this land played an important role in meeting the food requirements of the population, as we shall see below.

The Peasant Economy.

The Agrarian Reorganization was intended to introduce the free labour principle to the plantations in the Principalities, and it was put into effect in the sugar areas of Klaten, where the land was contracted by the mill but the labour was not. But in the tobacco areas, by contrast, both the land and the labour of whole villages were contracted. The kuli kenceng of the sugar-growing areas tended, therefore, to have far more options in seeking sources of livelihood than the peasants in the tobacco-growing areas, who tended to be firmly tied to their land and hence to the tobacco industry. After the Reorganization, the tobacco companies utilized the contract system not only to maximize the quality of the tobacco they produced but also to force the kuli kenceng into a position of greater economic dependence upon the companies. This was made easier by taking ad-

---

98 In a two year-crop rotation system, the first crop of cane was planted in May of any particular year on one plot of land, while the second crop was planted on the other parcel of land in May of the following year. Thus during a three year period, the peasants were only allowed to grow one rice crop and one second crop for their own needs. Apart from the fact that this cash crop required an area of land 200 percent greater than the actual amount of land planted, sugar also occupied both parcels of peasant land over a three year period. "Letter of Rubenkonig...," loc.cit.: A.G. Anderson, "Plantation and Petani: Problems of the Javanese Sugar Industry," Pacific Viewpoint, Vol. XIII, No. 2, pp. 127-154.


100 Anderson, op.cit.
vantage of the low peasant status of the *kuli kenceng*. Negligence or inadequate performance in the tobacco fields were treated as grounds for dismissal, with loss of both income and status as *kuli kenceng*, which no peasants in Surakarta wanted to lose.

While in theory the peasants in the tobacco areas had a greater chance to use their land for their own needs, in practice, this did not happen. The time-consuming work that had to be performed by the peasants in the tobacco fields, discussed earlier in this chapter,\textsuperscript{101} prevented them from looking after their own crops adequately. Consequently, in meeting their food requirements, the peasants were compelled to depend increasingly upon the *paddy kongsen*, which officially belonged to the tobacco companies. And while the peasants' needs were simple, the rice they were able to produce on this land was not sufficient to meet the needs of the peasants and their families. Other basic commodities, such as salt and kerosene had to be purchased, and also tools, clothing and materials for the maintenance of their houses. Consequently, the peasants were compelled by their situation to look for other sources of income; and because the men were already exhausted by the various tasks required of them in the tobacco fields, their wives and children were usually called upon in this matter. In short, although the food supply of the *kuli kenceng* in tobacco areas was assured by the company through the institutionalization of the *paddy kongsen* system, other sources of cash were required to meet their basic needs.

Nevertheless, the position of peasants working in tobacco-growing areas seems to have been better in general than it was for those in sugar areas. The relationship between the Javanese peasants and the plantation companies was far looser in the sugar-growing areas than it was where tobacco was the major cash-crop. On the sugar lands, there was no contracted labour, but consequently there was no fixed income either. To meet their cash requirements, the peasants in the sugar areas had to work either in the fields or in the factories. But in tobacco areas, since the *paddy-kongsen* was basically sufficient to

\textsuperscript{101} See the account of the peasants' duties in the section "Peasants and Wage Laborers" earlier in this chapter.
provide for the peasants' food requirements, there was less need for a cash income to purchase their food supply. The peasants in cane-growing areas were, in theory, able to grow sufficient food crops under the *glebagan*-system on the two-thirds of available agricultural land remaining to them after the sugar crop had been planted. This meant that the peasant families of the cane-growing villages were generally able to produce sufficient food for themselves. But in practice, because of the long period of land use which was taken up by the cane crop, food self-sufficiency at the village level was not always achieved. In meeting their labour requirements, the tobacco companies relied basically on the *kuil kenceng* and their family members, whereas in the sugar areas the peasants had more flexibility in finding a source of income. The wives and children of peasants in the tobacco villages were usually recruited by the tobacco companies either as permanent or daily laborers in the smoke-houses or sorting sheds.

The greater number of man-days of labour required in the sugar industry compared with the tobacco industry meant that the sugar plantations were providing more employment over the course of the year than was the case on the tobacco plantations. Consequently, the money economy generated by the sugar plantation must have had a greater impact upon the peasants' livelihood in Klaten than did tobacco. The laborers recruited by sugar mills during the harvesting season were recruited largely from other areas, and thousands of laborers were absorbed by a dozen sugar mills operating in Klaten from May to September every year; this in turn, affected the demand for food in the regency. In fact, the peasant laborers in sugar-growing villages were heavily dependent upon the cash payments from the sugar factories, and this cash income was less secure than the income in kind was that obtained by the tobacco growers under the *paddy-kongsen* system. A cash income was often affected by other factors, such as the price or supply of

---

102 The number of man-days required in the sugar industry was 1000 man-days per hectare while in the tobacco industry it was only 400 man-days per hectare. Anderson, *op.cit.*, "PNP XIX Research Station 1985." Unpublished Document.

103 The in-migration of laborers employed by the sugar mills had presumably been a feature of the region since the beginning of the 20th century. By 1900, the sugar industry in Surakarta had already become as important as the sugar-growing areas in other parts of Java such as Pasuruan and Tegal. See O’Malley, *op.cit.*, Table 5.
goods. Hence, it hardly surprising that although rural disturbances often occurred in the sugar areas during the 1920s no such incidents were reported in the tobacco-growing areas. I will return to the more general question of the impact of the tobacco industry on the villagers affected by it in Chapter 9.

How then were the food requirements of the peasants in the sugar areas met? Basically, they had to depend at least in part, on supplies from other villages, whereas in the tobacco areas, the food requirements of the *kuli kenceng* were met by the *paddy-kongsen* supplies, although the landless laborers of those villages also had to depend upon food brought from elsewhere or on inferior food like cassava. While inter-regency food trading was not a new phenomenon in Surakarta, and had been occurring in this region from the mid 19th century, these food supply patterns stimulated the emergence of many petty traders in the rural areas of Klaten. Within each regency in Surakarta Karesidenan, there was also trading between districts not only in agricultural produce but also in various other commodities, such as clothing and agricultural tools. Delanggu was the main rice granary of Klaten Kabupaten. This was perhaps due in part to the fact that Delanggu, unlike other parts of Klaten, was never greatly involved in the production of cash crops. Only small parts of Delanggu, such as Polan and Wonosari Kecamatan, were rented by the Dutch planters for growing tobacco and sugar. Rice yields per hectare of land in Delanggu were very high, which means that the food production from this kecamatan was sufficient to generate a surplus beyond local needs. In addition to Delanggu Kecamatan, there were always small parcels of unrented land (*kejawen land*) located between villages.

104 Several protests that occurred on the sugar-growing land owned by Prince Mangkunagoro in the 1920s were reportedly caused by insufficient payments. In April 1920, a strike broke out at the Tasikmadu sugar factory. 150 laborers were dismissed and only 30 were retained. Cane burning was also a common occurrence in the early 1920s and a special estate police force was established in Surakarta in 1924. A 60 per cent increase in the price of rice and a doubling of the price of textiles occurred during the period 1913-1924. However, the wages paid by the sugar mill did not increase. See Pringgodigdo, *op.cit.*, pp. 187-87.

105 "Verslag Soerakarta Residentie." 1870, ANRIJ.

106 Intra-regency trading networks connected the kecamatan of Klaten such as Wedi-Prambanan-Jatinom and Delanggu. There were also inter-regency trading networks linking Klaten, Boyolali and Sragen. By the 1920s, the traders of Wedi Kecamatan were active not only within the Klaten Kabupaten and in neighbouring kabupaten, but also in several important trading centres in the outer regions such as Madiun and Kuta Gede in Yogyakarta. Interview with Harjosetomo, Wedi Kecamatan, 18 January 1986. His father and grand-father were tailors and clothing traders, operating as far as Madiun.
in the areas growing cash-crop. 107 This land, while unsuitable for cash crop agriculture, was always available for growing food crops. In fact, the Resident of Surakarta reported, during the 1920s, that Klaten Kabupaten was not only able to feed its own population but was also a net exporter of rice to regions such as far away as Yogyakarta and Semarang. 108

The dependency of the population in some areas upon external supplies of foodstuffs provided opportunities for the *mandoer* working on the sugar plantations to exploit. Some of them opened businesses in the sugar areas supplying such daily essentials as rice, salted fish, kerosene and even clothing. 109 The *mandoer* in the sugar factories were in a strategically strong position to make some extra money in this way by establishing dependency relationships with the laborers under their charge. By contrast, the *mandoer* working for tobacco companies were rarely involved in petty trading. Apart from the smaller demand for imported goods in these areas, Javanese and Chinese petty traders were also operating in the compounds surrounding the fermenting sheds, where they opened stalls for goods such as foods and clothing. 110

**Economic Development and Population Growth**

The heyday of tobacco cultivation and the expansion of the sugar industry in Surakarta in the 1920s created economic opportunities not only for the peasants and the increasing number of landless villagers in this Karesidenan, but apparently also for laborers from other Karesidenan. The employment generated by cash-crop cultivation meant that money earnings increased in certain villages and hence also the purchasing

---

107 For example, in Beji Kecamatan, there were about 10 hectares of *kejawen land* on which food crops were always grown. Interview with Harjomartono, *Curik* (Village Secretary) of Troketon Village, Pedan Kecamatan, 14 January 1986.
108 "MvO Neuwenhuis, 1927."
109 Interview with Harjosugiyo, retired *mandoer*, Prambanan, 27 December 1985. His father-in-law was also a sugar factory *mandoer*, and his mother-in-law ran a business supplying goods to the laborers working under her husband.
110 Wedi-Birit estate was typical of many such tobacco estates during the 1920s, with many Javanese and Chinese petty traders operating stalls. Children working as daily laborers were the main customers of these stalls. On payday, usually on Saturday, many more Javanese petty traders opened stalls along the street near the fermenting shed selling food, agricultural produce, and even furniture and clothing. A similar situation prevailed on other tobacco estates in the 1920s. Interview with Partosakirno, *loc.cit.*; and the Manager of Kebonarun estate, 18 November 1985.
power of their inhabitants. The generally better economic conditions of the peasants in the tobacco areas seems to indicate that this additional cash income derived from work in the smoke-houses and sorting-sheds enabled them to become less dependent upon the land allotted for growing food crops. This situation must have also provided some scope for landless peasants to find employment in food-crop agriculture as sharecroppers on the land of peasants working on contracts with the companies. They would often sell a portion of the food crops they produced on the local market, which in turn enabled some Javanese and Chinese to play a role as traders in agricultural produce.

The greater purchasing power of the population in cash-crop areas resulted in an increase in the number of petty traders, usually Chinese, supplying various commodities imported into the region. The Chinese population in the cash-crop kecamatan seems to have increased considerably in Surakarta between 1910 and 1930. In the second decade of the 20th century, for instance, there had been no Chinese in Polanharjo Kecamatan, where Polan tobacco estate was located. By the late 1920s, there were seventeen Chinese in this area. A similar pattern is evident in other kecamatan, such as Wedi and Prambanan, where the Chinese population increased rapidly, by as much as 16 per cent and 10.5 per cent per year respectively. The annual population growth of the Chinese in the tobacco growing kecamatan was much higher than in the sugar areas, being 7.32 per cent and 0.84 per cent respectively, which suggests that people must have been moving in to those kecamatan because they could find a livelihood there. The figures shown in Table 5-4 show a slightly higher overall rate of population growth in the tobacco growing kecamatan than in others in the 1920s, especially in Wedi and Juwiring. It is also noteworthy that in later decades, the growth rates of the tobacco kecamatan have been a good deal higher than those of the sugar kecamatan, although not as much higher as they were in the tobacco regions in the 1920s. That must signify that fewer people were leaving the tobacco districts.

---

111 Volkstelling 1930.

112 The Chinese supplied imported goods to the economically better-off sections of the population and purchased agricultural produce for sale in the larger towns. In the 1920s, Chinese were buying and selling agricultural produce, and operating stalls and pawn shops. Interview with the village council members of Kalitengah village, Wedi Kecamatan, 18 January 1986.
Table 5-4: The Annual Population Growth Rate of Tobacco and Sugar-Growing Kecamatan in Klaten, 1920-1971

<table>
<thead>
<tr>
<th>Kecamatan</th>
<th>Population (In 000)</th>
<th>Annual Population Growth (In per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco growing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trucuk</td>
<td>23.1</td>
<td>29.8</td>
</tr>
<tr>
<td>Gantiwarno</td>
<td>25.4</td>
<td>23.7</td>
</tr>
<tr>
<td>Juwiring</td>
<td>12.9</td>
<td>22.7</td>
</tr>
<tr>
<td>Kebonarum</td>
<td>22.2</td>
<td>22.7</td>
</tr>
<tr>
<td>Wedi</td>
<td>15.1</td>
<td>28.0</td>
</tr>
<tr>
<td>Ketandan</td>
<td>17.8</td>
<td>23.1</td>
</tr>
<tr>
<td>Total</td>
<td>116.5</td>
<td>150.0</td>
</tr>
<tr>
<td>Sugar growing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prambanan</td>
<td>25.1</td>
<td>23.9</td>
</tr>
<tr>
<td>Karanganom</td>
<td>17.9</td>
<td>21.1</td>
</tr>
<tr>
<td>Ceper</td>
<td>18.7</td>
<td>23.2</td>
</tr>
<tr>
<td>Polanharjo</td>
<td>25.3</td>
<td>40.3</td>
</tr>
<tr>
<td>Jogonalan</td>
<td>31.1</td>
<td>39.0</td>
</tr>
<tr>
<td>Tulung</td>
<td>13.3</td>
<td>15.5</td>
</tr>
<tr>
<td>Pedan</td>
<td>12.1</td>
<td>20.8</td>
</tr>
<tr>
<td>Total</td>
<td>143.5</td>
<td>183.8</td>
</tr>
<tr>
<td>Other sub-districts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Karangdowo</td>
<td>22.0</td>
<td>24.4</td>
</tr>
<tr>
<td>Cawas</td>
<td>18.9</td>
<td>27.4</td>
</tr>
<tr>
<td>Total</td>
<td>40.9</td>
<td>51.8</td>
</tr>
</tbody>
</table>


The economic stimulus given by tobacco cultivation in Klaten seems to have encouraged a population movement into most of the tobacco-growing areas (although not Kebonarum or Gantiwarno apparently); but a similar trend can also be seen in some other sugar areas, so the figures must be interpreted cautiously. This may have been due to the fact that landless laborers found opportunities to share-crop land in the tobacco-
growing areas because the land-owners there had so little time to devote to their own land. In turn, the increase in purchasing power and the abundance of agricultural produce would have stimulated the emergence of both Javanese and Chinese traders. These factors may explain why the average land-holdings was small, in a densely populated kecamatan such as Wedi, where the rate of landlessness was high, yet there must have been an influx of people.

The 1920s saw a different pattern of population growth among the other ethnic groups, namely the Europeans. This was mainly due to the need for more skilled personnel in the industry because of the rapid expansion of the sugar cane areas which occurred during the period. More Europeans were drawn into the sugar industry than tobacco cultivation, as is revealed by the annual population growth of Europeans in sugar and tobacco-growing kecamatan which averaged 5.5 per cent and 2.4 per cent respectively.

The Changing Status of Labour in the Tobacco Industry

The tobacco companies also had to recruit Javanese overseers (mandoer) for the lower levels of their organizational structure. By the 1920s, the organization of tobacco estates in Surakarta had reached a more advanced stage than before World War I, when the bekel had still played an important part in overseeing tobacco cultivation; but after the Agrarian Reorganization the bekel no longer existed. Because high quality tobacco could only be achieved through the implementation of advanced techniques and careful handling of the crop, therefore, close supervision was necessary, work discipline, for which highly skilled and experienced personnel were essential. A European field officer (sinder) was in charge of one portion of the estate area, while various Javanese overseers (mandoer) were also assigned to work under him at the village level.

After the Reorganization, the relationship between the peasants and the tobacco companies became much more direct and rigid than it had been previously. Previously, all

---

113 In 1920, the area under sugar cane throughout Surakarta Karesidenan was about 11,000 hectares. It consistently expanded to 15,000 hectares by 1925 and to 19,000 hectares by 1929. O'Malley, op.cit., Table 5.

114 See population census data on 1920 and 1930 censuses. Volkstelling 1920; 1930. op.cit.
issues were dealt with basically by the bekel; but after the Reorganization, all administrative matters were handled by the village headmen, while matters relating to the use of land and labour by the companies were left to the mandoer. There was no conflict of interests between these two groups. The only problem was that both tried to take advantage of their position in the system. The mandoer had authority to recruit the laborers required for the work in the fields, the smoke-houses and the fermentation sheds. Frequently, the demand for employment was greater than the amount of work available, so there was strong competition among the landless for work there, which often led to corruption on the part of the mandoer. Their powerful position enabled them to maintain a form of patron-client relationship with the laborers under their control. On the other hand, the position of the village headmen enabled them to control the rights to land allotted to the kuli kenceng. When a peasant lost his status as kuli kenceng, his land came under the control of the village headman until a new kuli kenceng was designated. It became a common practice for the village headmen to transfer the rights of such land to their own relatives. Thus, although the Agrarian Reorganization had been intended to enhance the economic position of the Javanese peasants, it was often the rural elites who were able to gain the most benefit in the plantation areas.

Efficiency was highly emphasized within the organization of the plantation companies operating in Surakarta. This was reflected in the organizational structure of the tobacco companies, where it was now common for different staff to be assigned to the various plantation operations. The manager, as the senior official, controlled the field overseers (sinder) and administrative staff. Other personnel were responsible for book-keeping, or for the supervision of processing work (sinder gudang), including the sorting, pressing and packing of the tobacco leaf. Until a few years prior the World War II, these positions were never open to Javanese; but in the 1930s, a villager named Praptosudarmo

Peasants often paid bribes, in the form of goods and money, to the mandoer before the tobacco season began to ensure that work was secured. Interview with Ruslan, retired mandoer, Gayamprit Village, Klaten Kecamatan, 15 April 1986.

Interview with Martosadirjo, retired mandoer Kocoran Village, Gantiwarno Kecamatan, 29 January 1986.
was the first Javanese to be appointed as a book-keeper on Bangak estate.\textsuperscript{117}

The tobacco enterprise was basically a labour-intensive operation, with a very small number of European personnel controlling hundreds of Javanese laborers.\textsuperscript{118} The Europeans were almost all Dutch, while the labour force was recruited from the peasants living in the villages surrounding the estate. The increase in the number of landless peasants worked to the benefit of the companies, since the greater the demand for employment the lower the wages.\textsuperscript{119} The work-force available in the tobacco-growing areas was not entirely absorbed by casual work in the fields, smoke-houses and processing operations in the warehouses, however, for there was also other work to be done. This included the plaiting of dried sugar-cane leaf (\textit{welit})\textsuperscript{120} which was used for the building of the roofs of the smoke-houses, or work as laborers for the Javanese independent contractors who carried out the maintenance of the smoke-houses and other buildings. Because these have to be constantly renewed, a good deal of labour was required for that work.

\textsuperscript{117}In addition to his appointment as book-keeper, Praptosudarmo was also a supervisor of processing work. He had started his career as a clerk on Demangan-Srago tobacco estate in 1930, a few years before that company closed down. Interview with Praptosudarmo, \textit{loc.cit.}

\textsuperscript{118}On Wedi-Birit estate, for example, with its 500 hectares of tobacco employed workers from about 1,500 peasant families. Since every eight \textit{bouws} required a \textit{mandoer}, there were about 65 \textit{mandoer} assigned in the fields. In the smoke-houses where the peasants’ wives and children worked hanging tobacco leaf, there were at least 3,000 laborers earning income from the company. In the sorting-sheds, another 1,500 laborers were employed, of which about 50 per cent were children. In 1918, this tobacco company employed more than 6,000 Javanese laborers either, as contracted peasants, permanent laborers or daily wage laborers. De Kat Angelino, \textit{op.cit.}, pp. 4 and 154-155.

\textsuperscript{119}A comparison between Gawok and Wedi-Birit estates during the 1920s supports this assertion. On the Gawok estate area, there were 1917 females in 1928, of which 337 (or only 18 per cent) were recruited as laborers in the sorting-sheds. On the other hand, in the Wedi-Birit area there were 7,398 female laborers available, including children who were seeking work in the sorting-shed. Of the 1,593 laborers or 22 per cent who were recruited, almost 50 per cent were children. The lower demand for work in Gawok caused wages to be higher than in Wedi-Birit. For every 100 bundles of tobacco sorted, the wage in Gawok was 3.5 to 4.5 cents higher than that paid at Wedi-Birit. \textit{Ibid.}, p. 38.

\textsuperscript{120}\textit{Welit} was made of dried sugar-cane leaf. Initially, \textit{welit}, like \textit{alang-alang} (\textit{imperata cylindrica}), was used to roof the peasants’ houses. Because \textit{alang-alang} was scarce, dried sugar-cane leaf was often used instead. It was the basic material used in Besuki and the Principalities to construct smoke-house roofing and screen. The dried sugar-cane leaf was acquired from neighbouring villages in the tobacco areas. The plaiting was done with bamboo sticks about 150 centimeters long, and a piece of \textit{welit} required three bamboo sticks and a bundle of dried sugar cane leaves. A laborer was able to produce about 20 pieces a day. In the 1920s, there were about 1,000 smoke-houses which required construction and regular maintenance. In carrying out Roof replacement required 90 man-days each so that it absorbed 22,500 man-days per annum. Interview with Partosakirno, \textit{loc.cit.}
according to my informants, this sort of casual employment absorbed large numbers of the landless laborers in Klaten at that time.

In the production of *welit*, a relationship of mutual dependency was developed between the landless laborers and the *welit* contractors. By making a small down-payment, the contractors were able to ensure that the laborers delivered the supplies of *welit* required by the tobacco estate, while the laborers were assured of a cash income as long as they delivered the required amount of *welit* on time. In this kind of flexible arrangement between the *welit* contractors and laborers, it was not uncommon for one laborer to have several contracts with different contractors. In order to produce the required amount of *welit*, the laborer and his family had to work not only in their spare time during the day but at night as well. The *welit* industry and smoke-house maintenance must have generated a considerable income for a large number of peasants in Klaten, not only landless peasants but also some *kuli kenceng* as well. The involvement of women and children in the production of *welit* transformed their role within the family from one of complete dependency on their husbands to one of important contributors to the family income.

Thus, the good years for the tobacco industry in Surakarta throughout the 1920s resulted in many opportunities for employment in work. In turn, this gave rise to the emergence of a new wealthy group in the rural areas who acted as intermediaries between the tobacco companies and the peasants. *Welit* contractors, smoke-house builders and bamboo traders were among those who benefited from the prosperity of the tobacco industry in Surakarta in the 1920s. For example, a 1936 report by the management of CM. Juwiring mentioned that its estate of 450 *bouws* contracted four bamboo suppliers as well as a number of *welit* traders to supply 200,000 lengths of bamboo to the company.\(^\text{122}\)

\(^{121}\)Information based on interviews with Partosakirno, who started his career as a *kepedak*, the assistant to the *mandor*, and who also worked as an assistant contractor, and tobacco planter funded by the Mangkunagoro, *loc.cit.*; Ibu Sastro Tumpukan, one of the *welit* contractors and suppliers to Wedi-Birit, Pandan Simping, Temulus, and Bangak estates, Interview 25 February 1986.

\(^{122}\)"Nota van Overgave der Onderneming Juwiring. dated 14 April 1936," *AKCM*, ARADH, Box No. 120.
Another group in this newly emerging wealthy group was the carters, who played an important role in the transportation of tobacco, rather like those described by Elson in the sugar industry of Pasuruan.\textsuperscript{123} The emergence of all these group involved a considerable outlay of credit by the tobacco companies, as well as the establishment of workshops for repairs.\textsuperscript{124}

Specialization among the laborers working in the tobacco industry became possible only when there was a constant demand for such skills. The developments experienced by the tobacco industry during the 1920s contributed not only to the emergence of those new groups of Javanese mentioned above but also of skilled laborers who specialized in particular tasks like roof-building. These skills were recognized as essential and the laborers, who were usually landless villagers, were generally employed on a regular basis.\textsuperscript{125} Labour recruitment among male and female laborers was also quite flexible. Mobility of labour was not restricted to male workers. In some cases, the strong demand for skilled female labour for work in the sorting-sheds compelled the tobacco companies to contract them by making advance payments. De Kat Angelino reported that the skills of women of the tobacco-growing villages were critical.\textsuperscript{126} If a sufficient number of women was not available for the processing work, others had to be brought in from other tobacco-growing villages. Here too, advance payments were made in order to make sure that these laborers arrived on time.

To summarize, we can say that the 1920s was marked by a process of considerable reorganization for the tobacco companies in Surakarta. An improved market for their produce was matched by better quality cigar tobacco, which in turn generated higher profits for the companies. The peasants became tied to the tobacco companies more firmly through contracts which compelled them to become more economically dependent

\textsuperscript{124}“Nota van Overgave...,” \textit{op.cit.}
\textsuperscript{125}This was the case with the 40 laborers of Geneng village, Prambanan Kecamatan who were employed by Partosakirno as roof-builders. Interview with Partosakirno, \textit{loc.cit.}
\textsuperscript{126}Kat Angelino, \textit{op.cit.}, p. 55.
upon the company. This, in fact, made them more secure economically than the peasants living in sugar areas of the region, at least for the time being. The heyday of the tobacco industry in the 1920s also brought considerable benefit to the Javanese rulers of Surakarta, who were able to maintain and expand their own plantation enterprises. The tobacco industry contributed to the emergence of a new wealthy group within the rural community, yet it also offered greater employment opportunities to the ordinary peasants, not only the *kuli kenceng*, but also the growing numbers of landless laborers in Surakarta. But this boom period of the tobacco industry was short-lived, being followed very soon by the great difficulties experienced during the Great Depression of the 1930s, to be discussed in Chapter 6.
CHAPTER 6
Surakarta During the 1930s Depression

The World Depression of the 1930s had a disastrous impact upon the economy of Netherlands Indies and Java and particularly on its export industries. The prices of agricultural products on world markets fell sharply as also demand. Hence the total value of exports declined, although fixed interest payments to foreign lenders remained high and had to be paid, leaving far less foreign exchange available for imports. Thus imports of manufactured goods declined sharply and remained low during the course of Depression, especially during the worst years between 1931-1935, thus causing great economic hardships throughout the colony. It also brought about the collapse of many plantation companies operating in Java and the East Coast of Sumatra. A minor recovery began in 1936-1937, but it brought little improvement before the outbreak of World War II caused even more severe disruptions for the entire plantation economy.

In Klaten, only a few tobacco plantations closed down at this time; in fact, the area under cultivation remained about the same as before the Depression, although falling prices greatly reduced the total revenue of the companies. The reasons for this will be examined later. For several years in the early 1930s NV-KCM incurred losses, although it was again profitable in the second half of the 1930s. The broader effects of the Depression on the local society in the tobacco areas are harder to assess, however, although the cost-reducing measures taken by NV-KCM must have meant drastically lower cash incomes to the peasants as well as to the Sunan. But in the Vorstenlands tobacco plantations there was nothing like the large-scale dismissal of workers and repudiation rental contracts by the plantation companies that occurred in the sugar industry throughout Java. In Klaten,
however, the tobacco and sugar areas are located in close proximity to each other; hence it is not easy to disentangle the adverse consequences of the collapse of the sugar plantations from those of reduced activity in the tobacco industry. All I can do in this chapter, therefore, in trying to assess the impact of the Depression on the peasants and society generally in Klaten, is to identify certain changes that are known to have occurred and to draw what inferences we can about certain others, and their probable consequences.

As far as the effects of the Depression upon the Netherlands East Indies and Java as a whole are concerned, there are two features to be pinpointed. First, the collapse of the world demand and prices for agricultural products; second, the prolonged deflationary effect through the 1930s of the tight-money policies followed by the colonial government made necessary by the financial crisis of 1930-1931. Furnivall has summarized the overall effects as follows:

"In 1929 there was a widespread failure of crops. Then the crisis in Wall Street led immediately to a catastrophic fall in the price of agricultural produce, which Indie sold, where, whereas the price of manufactured articles, which India bought, did not fall so fast or so far; so that, the position changed suddenly for the worse. The first reaction to the depression was an attempt to make up for lower prices by increasing output, and there was an increase in agricultural production. But from 1931 onwards, other countries refused to import goods, however cheap, and, in proportion as Netherlands India lowered the prices of its goods, the hoped-for customers shut them out by higher tariffs. Thus, whereas in 1930 the volume of exports was still larger than in 1928, though at three-quarters of the price, in 1931 the volume of exports was less, even at a far lower price."1

Index numbers for imports and exports of the Netherlands Indies from 1925 to 1934 are shown in Table 6-1.

The immediate consequence of the 1929-1930 crisis in commodity prices was a sharp reduction in exports, resulting in reduced government revenues and expenditure, big

---

Table 6-1: Index Numbers. Imports and Exports of
the Netherlands Indies. 1929-1934
[1925=100]

<table>
<thead>
<tr>
<th>Year</th>
<th>Export</th>
<th>Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>1925</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1929</td>
<td>46</td>
<td>88</td>
</tr>
<tr>
<td>1930</td>
<td>30</td>
<td>80</td>
</tr>
<tr>
<td>1931</td>
<td>21</td>
<td>61</td>
</tr>
<tr>
<td>1932</td>
<td>18</td>
<td>51</td>
</tr>
<tr>
<td>1933</td>
<td>18.5</td>
<td>44</td>
</tr>
<tr>
<td>1934</td>
<td>20</td>
<td>43</td>
</tr>
</tbody>
</table>


deficits and greater national indebtedness. This created a general shortage of money at all financial sources and private lending agencies, thus aggravating the sharp deflation throughout the entire economic system. This meant falling prices for everything and severe reduction of demand for all but essential goods and services. Yet the peasants still had to pay land tax and were under even greater pressure than ever before to find the cash income needed for that purpose.

Thus, whereas the 1920s had been an era of economic expansion and strong investment activity, the 1930s was quite the opposite; no one was eager to invest at all confidently, many businesses collapsed (e.g. the sugar industry fell from 188 mills to only about 45) and about one hundred thousand laborers were no longer able to get work on the sugar plantations, so had to find a place in the village economy. There were even greater number who returned to Java from the East Coast plantations. The only new in-

---


3 The land tax, in fact, rose from fl. 43.6 million to fl. 48.9 million in 1929 and 1931. *Ibid.*, p. 442.

4 Creutzberg's data shows that in the sugar industry about 100,00 employees were dismissed and about 200,000 from other plantation companies. P. Creutzberg, *Het Ekonomische Beleid in Nederlandsch-Indie: Capita Selecta een Bronnenpublicatie*. Vol. II. Groningen: H.D. Tjeenk Wil- link, 1974, p. 779.
The 1930s Depression lasted longer and had a wider and deeper impact, especially on unemployment levels, in all countries in the world than any previous trade cycle fluctuation. The reasons for this must be sought in the international reaction to it. The response of nearly all countries was the orthodox response of trying to balance budgets, limit imports, raise tariffs, tighten credit and reduce wages and incomes to levels appropriate to the lower level of economic activity; in short, they were deflationary and contractionist in almost every respect. What was needed, in fact, was pump-priming and an increase in world trade. Yet the depressed condition of 1930-1931 was worsened by the 1931 financial crisis (Britain abandoned the gold standard, Japan devalued the yen) which had the effect of encouraging all countries to raise tariff barriers even higher, so as to protect local industries, thus prolonging the depression and delaying a recovery of international trade. A 1933 World Economic Conference was called to try to get some cooperative solutions, but it broke down due to inability to persuade the US government to agree. Hence it was not until 1934-35 that some signs of a recovery in international trade began to emerge.

Interpretations of the Depression

No comprehensive study of the Depression in Indonesia has been written. The short account by de Wilde and Moll cannot be considered as much more than a brief survey of the effect on exports and the main government policies adopted to deal with the trade crisis. It provides very little data on the impact on Indonesian society. An article by Van Laanen attempts a macro-level approach to the problem from the viewpoint of the indigenous population and it provides us with some useful estimates of the effects of the Depression on the money income of the indigenous groups in Java and the Outer Islands.
respectively. This suggests some interesting conclusions about the differences in overall impact on each, but because it is essentially a macro-level survey, it does not throw much light on the effects on particular export crops or the regions in which they were produced. Nor does it have much to say about interpretations of the Depression put forward by other writers. On both these matters, O'Malley's thesis on the impact of the Depression in Yogyakarta and East Coast of Sumatra is much more informative. It describes the overall impact on Indonesia in terms of the effects for different crops and commodities, some of which, like oil, were "barely thrown off their stride" by the Depression, whereas others, like rubber, sugar, coffee and tea needed extensive government intervention, mainly in the form of restriction schemes, to save them from complete collapse. He does not have much to say about overall interpretations of the course or causes of the Depression, although he mentions that the main effects on the industrial countries were unemployment by the millions, the failure of banks in many countries (especially USA) and the close-down of manufacturing industries through lack of demand for their products. He stresses the process of severe deflation that spread through the world economy and the Netherlands Indies economy in the 1930s, contrasting with the boom conditions of the 1920s when prices and production rose to extremely high levels just before the crash of 1929-30. In fact, the prices of some agricultural commodities had already begun to fall in 1928-29, even before the crash on Wall Street in October 1929, which triggered the crisis of confidence and credit that ended the boom of the 1920s.

To go back to earlier general accounts of the Depression, it is useful to note the factors considered most important by various writers, first of all, Herbert Heaton in one of the early economic histories of Europe, which sets the world crisis of the 1930s in perspective; then we have two accounts by W. Arthur Lewis and Furnivall on its effect on developing

---


8 Ibid., pp. 66-68.
countries and on Indonesia respectively. Finally, I will refer to a very recent piece of "historical revisionism" by Brown about the socio-economic consequences of rural distress in Southeast Asia in the 1930s, which challenges some of the conventional views that have been commonly accepted on this subject.

Heaton starts by describing the world economic situation in 1929, when the price of agricultural products were falling at the same time when the flow of capital to primary producing countries was being reduced. Hence the primary producers, which were all debtor nations, had to pay for their imports and meet their interest bills on their debts by selling commodities that were shrinking rapidly in value and by supplementing it by exporting gold from their bank reserves. Surprisingly, he barely mentions the collapse on Wall Street as a causal factor, despite its impact in precipitating the drastic collapse of the entire world economic system. For three years, until the summer of 1932, the gloom grew steadily deeper in every part of the world. Apart from the fall in the wholesale price index, one-fifth of all wage earners were out of work in many countries, although the production of foodstuffs scarcely declined at all. In order to avoid further economic disasters some countries took emergency financial measures, like Great Britain which abandoned the gold standard and Japan which devalued the yen. In the second half of 1932, various signs appeared that raised hopes that the worst was over, as prices, production, volume of trade and employment began slowly but gradually to rise again. But it was not really until about 1936-37 that any real recovery occurred.

Lewis, like Heaton, stresses the importance of the collapse of prices of agricultural commodities at the end of 1920s as the fundamental cause of the Depression. Even before the collapse on Wall Street, he says,

"there were signs that agricultural prices were

---


11Heaton, *op.cit.*, pp. 653-656.
falling... Wall Street was not the cause of the Depression so much as a signal that the speculative fever which had kept the boom going had gone too far."  

Lewis lists eight factors as a combined set of interacting causes of the subsequent depression, most of which have been also stressed by various other writers to explain why it was so much more intense and long lasting than previous trade cycle fluctuations. But it was the fall of agricultural prices in 1929-30, which he emphasized most as the primary explanation. From the point of view of primary-producing countries, like Indonesia or Australia or the West Indies, this selection of the key factors is easily understandable. Lewis goes on to show how the fall in commodity prices led to a cessation of new investment for some years, due to a "wait and see" attitude of businessmen, and to the world-wide erection of tariff barriers to protect domestic markets from outside competition. Then, in 1931, the depression was further deepened by the collapse of the international monetary system, which checked any steps towards a recovery of world-wide business and trade. And in 1933, efforts to negotiate a reduction of tariffs failed when the US government refused to cooperate, so that no rapid recovery of world trade could occur and it took several more years before output and prices gradually begin to rise slightly in 1935-36. Thus the two factors stressed by Lewis as the main features of the Depression were the intensification of deflationary pressures upon the economies of nearly all countries and the huge scale of unemployment in the industrial countries. The result was continued low commodity prices, which created particularly acute problem for countries like Netherlands Indies.

Furnivall also puts a lot of stress on the effect on the Netherlands Indies economy of the fall in agricultural prices in 1929-30 and the sharp deterioration in the colony's terms

---

12 Lewis, 1949, op.cit., p. 55.

13 The eight factors mentioned by Lewis were so-called world shortage of gold, "a growing rigidity of the economic system...which made wages, costs, and prices less flexible" (thus preventing adjustments to adverse price changes), credit inflation in USA, "underconsumption", an exhaustion of investment opportunities, the banking crisis of 1930-32, the high level of indebtedness and resultant bankruptcies, and rigidity in the wages policies pursued by government and businessmen. Lewis, op.cit., pp. 52-54.
of trade, due to the more severe fall of export prices than import. But the first reaction of
the Dutch plantation companies, he says, was to the increase their output in order to
maintain income, so that the 1930 volume of export was above that of 1928, although
prices fell sharply between 1929-30 and even further into 1931-32, reaching their lowest
level in 1933. Furnivall gave less attention to analysis of the broader causes of the world
Depression or its impact on the Netherlands Indies than he did to the measures taken by
the Dutch authorities to try to remedy its disruptive effects through state intervention to
restrict the volume of exports (Chadbourne Scheme for sugar, various rubber restriction
scheme, etc) and the development of manufactures during the 1930s.

Furnivall was writing before most people understood the implications of Keynesian
economic theories about the need for counter-cyclical budgetary policies to restore income
levels and purchasing power in conditions of market down-turn. So he accepted the
general principles of orthodox monetary policy, with its emphasis on the restriction of
equilibrium price levels to bring the supply and demand for good into balance and prevent
oversupply. He probably did not appreciate how disastrous for Netherlands Indies were
the severely deflationary fiscal and monetary policies of the Dutch government in sticking
to the gold standard until 1937, long after most other countries had abandoned it. This
had the effect of severely depressing levels of money supply incomes and demand in
Netherlands Indies, thus prolonging the severity of the Depression much longer than
necessary.

The recent article by Brown is not concerned with exploring or interpreting the
causes of Depression, but with trying to assess the accuracy of previously accepted views
about how badly it hurt the indigenous populations of various Southeast Asian countries,
of which Netherlands Indies was only one. Is it true that conditions were so bad, he asks,
that rural unrest was a widespread result, or did the unrest have other causes? Four of
the points he makes have important implications for any discussion of the extent to which
the Depression affected the peasant economy in various parts of throughout Southeast
Asia. First, there were wide regional variations in its severity; there was no uniformity, he
says and in some cases the effects were not as had as are generally depicted. Second, the decline in peasant welfare occurred in that time was “more modest” than is generally believed. Third, in some places, including Java, there is some evidences that real incomes, on average, “fell only marginally.” Fourth, he cites figures showing that the calorific consumption of food declined relatively little in Java, while imports of manufactured goods fell only by 15 per cent in 1931-32.

The Effects of the Depression on the Netherlands Indies

The main effects of the Depression on Java and the Netherlands Indies as a whole can be summarized under four main headings; the collapse of international commodity prices and demand, the problems of the plantations (especially rubber and sugar), the financial crisis resulting from reduced government revenue and expenditure, and finally the socio-economic consequence of sharply declining employment levels, incomes, and purchasing power across the whole country. We will see that all these had a severe impact on Surakarta Karesidenan and Klaten Kabupaten, like most other parts of the country. But because it is not easy to get full information on the consequences at the local level, we will have to infer them from this broader picture.

The extent of the fall in the prices of exports can be seen in Table 6-2. Prices fell from 123 to 88 between 1929-30 (1913=100) then to as low as 52 in 1932 and around 41-43 over the next three years. There was a slight improvement in 1937 (to 54) but it did not last and prices were lower over the next two years. Hence the total value of exports fell from around fl. 1,600 million in 1927-1928 to fl. 500 over the years 1933-1935, the worst years of the Depression for Java. Creutzberg’s figures for the national income of the “Indonesian group” in Java-Madura are around fl. 1,000 - 1,100 million, compared with over fl. 2,200 million during most of the 1920s. And the decline in money incomes was about the same. So it is clear that all these factors were closely interconnected. The entire colony suffered from the effects of the Depression, not just the plantation sector.

---

14 Brown, op.cit., p. 1002.
15 Creutzberg, op.cit., Appendix 2, pp. 786-787.
and the more “commercialized” areas, although it is probably true that the impact was
more severe there than it would have been in the more remote, subsistence-based regions
of the Outer Islands.

Table 6-2: National Income, Exports, Prices & Investment:
Netherlands Indies 1910-1939 {In fl. million}

<table>
<thead>
<tr>
<th>Year</th>
<th>National Income</th>
<th>Exports</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Java and Madura)</td>
<td>Value</td>
<td>Volume</td>
</tr>
<tr>
<td></td>
<td>(1923-25=100)</td>
<td>(1000 tons)</td>
<td>Indexed</td>
</tr>
<tr>
<td>1910</td>
<td>442</td>
<td>2993</td>
<td>95</td>
</tr>
<tr>
<td>1911</td>
<td>503</td>
<td>3234</td>
<td>92</td>
</tr>
<tr>
<td>1912</td>
<td>578</td>
<td>3504</td>
<td>126</td>
</tr>
<tr>
<td>1913</td>
<td>671</td>
<td>3428</td>
<td>146</td>
</tr>
<tr>
<td>1914</td>
<td>674</td>
<td>3435</td>
<td>130</td>
</tr>
<tr>
<td>1915</td>
<td>771</td>
<td>3548</td>
<td>123</td>
</tr>
<tr>
<td>1916</td>
<td>865</td>
<td>3550</td>
<td>134</td>
</tr>
<tr>
<td>1917</td>
<td>778</td>
<td>2969</td>
<td>134</td>
</tr>
<tr>
<td>1918</td>
<td>676</td>
<td>3002</td>
<td>144</td>
</tr>
<tr>
<td>1919</td>
<td>2147</td>
<td>5120</td>
<td>220</td>
</tr>
<tr>
<td>1920</td>
<td>2257</td>
<td>4568</td>
<td>300</td>
</tr>
<tr>
<td>1921</td>
<td>2563</td>
<td>117</td>
<td>1191</td>
</tr>
<tr>
<td>1922</td>
<td>2272</td>
<td>105</td>
<td>1142</td>
</tr>
<tr>
<td>1923</td>
<td>2082</td>
<td>96</td>
<td>1368</td>
</tr>
<tr>
<td>1924</td>
<td>2245</td>
<td>101</td>
<td>1544</td>
</tr>
<tr>
<td>1925</td>
<td>2231</td>
<td>102</td>
<td>1802</td>
</tr>
<tr>
<td>1926</td>
<td>2450</td>
<td>110</td>
<td>1585</td>
</tr>
<tr>
<td>1927</td>
<td>2345</td>
<td>107</td>
<td>1642</td>
</tr>
<tr>
<td>1928</td>
<td>2238</td>
<td>104</td>
<td>1577</td>
</tr>
<tr>
<td>1929</td>
<td>2289</td>
<td>107</td>
<td>1443</td>
</tr>
<tr>
<td>1930</td>
<td>2267</td>
<td>106</td>
<td>1157</td>
</tr>
<tr>
<td>1931</td>
<td>1647</td>
<td>80</td>
<td>747</td>
</tr>
<tr>
<td>1932</td>
<td>1266</td>
<td>62</td>
<td>541</td>
</tr>
<tr>
<td>1933</td>
<td>1068</td>
<td>52</td>
<td>468</td>
</tr>
<tr>
<td>1934</td>
<td>1000</td>
<td>48</td>
<td>487</td>
</tr>
<tr>
<td>1935</td>
<td>1055</td>
<td>49</td>
<td>446</td>
</tr>
<tr>
<td>1936</td>
<td>1025</td>
<td>48</td>
<td>538</td>
</tr>
<tr>
<td>1937</td>
<td>1182</td>
<td>55</td>
<td>951</td>
</tr>
<tr>
<td>1938</td>
<td>1306</td>
<td>61</td>
<td>658</td>
</tr>
<tr>
<td>1939</td>
<td>1305</td>
<td>62</td>
<td>746</td>
</tr>
</tbody>
</table>

Source: P. Creutzberg, *Het Ekonomisch Beleid in Nederlandsch-Indië*,

Creutzberg shows figures for the total amount of money in circulation which reveal
a decline from fl. 359 million in early 1929 to about fl. 200 million by 1934 and fl. 163
million by September 1935. This is the basic explanation for the lack of small coins that was commonly reported in Java in the 1930s, when money became so scarce that there was even a call to issue a half-cent coin for the convenience of the villagers, who were by then operating semi-barter economy. For a fuller discussion on this issue see Van Laanen.

The overall socio-economic consequences of the Depression upon the ordinary villagers in Java, or Indonesia generally were far-reaching. Employment levels in the formal sector (wage labour) fell sharply, especially in the plantation industries and urban commercial activities generally, and wages were reduced by up to 50 per cent (which, again, meant lower purchasing power and lower demand all around). More than 300,000 jobs in the plantations sector disappeared. Thus the economic stimulus that the plantations had generated in the period 1900-1930 was now reversed. The plantation and commercial sector were a source of hardship and problem to the Indonesian community now, not of jobs and incomes. Yet the level of direct taxes, especially land tax, were not reduced, so people were still under great pressure to find money by any means possible. According to figures compiled by Van Laanen, the total money income earned by the indigenous population in Java fell to less than half its former amount, from around fl. 1,030 million to fl. 480 million between 1928-1929 and 1935-1936, and in the Outer Island even more, from about fl. 615 million to fl. 270 million - and "the actual decline was probably steeper," he says. This was offset to some degree by the increased purchasing power of money (which meant a big increase in real income to people who were earning fixed salaries), but Van Laanen estimates that the net effect overall was not very great, perhaps 10-25 per cent at most. Above all, the "subsistence sector" of the rural economy now had to provide a means of livelihood for hundreds of thousands of Indonesian who had to return to their villages from the towns or the plantations. A lot has been written about the flexibility of that

16 Ibid., p. 769.
17 Van Laanen, op.cit., p.5.
18 Van Laanen, op.cit., p. 3.
19 Ibid., p. 7.
sector in adapting to these new conditions on the basis of its traditional values like gotong royong and what Geertz has called "shared poverty." But the personal sacrifices that had to be made to achieve that adjustment cannot be measured, though in some areas they must have been very great. We cannot go into that part of the story here, however, since reliable information is so scarce.

The effect on the plantations differed a great deal. Sugar was the most badly hit because stocks became built up in 1930-1931 to such high levels that production had to be cut drastically. The colonial government agreed, very reluctantly, to an international restriction scheme (the Chadbourne Plan), but until those stocks were eliminated, many of the sugar mills simply had to close down entirely. In 1933, only slightly more than half the mills in Java were operating and by 1936 the number had fallen to 1937, out of about 180 in operation in 1930. Many of these never functioned again, for only about 55 mills survived the disasters of the 1930-1940s. The rubber plantations had a different problem; for although world over-production also made it necessary to join in international restriction schemes, it was not possible to curb the production by smallholders (karet rakyat) within the targets agreed upon. So the rubber plantations were very badly hurt, for they had high fixed costs, salaries and interest on capital to be paid (even though their labour force was drastically reduced), whereas the smallholders proved to be very adaptable in those difficult circumstances. When prices were low, they could easily stop tapping rubber and devote their time and labour to food-crop agriculture, then switch back to rubber-tapping when prices recovered; the plantations did not have that flexibility.

In the case of tobacco, there was no possibility of a restriction scheme on either a national or on international basis, for quality considerations would make such a scheme too complex to be workable. And it is interesting to notice that the production of Vorstenlands tobacco seems to have declined less in the 1930s than did either Deli or Vesuki tobacco, or Java-krosok (see Figure 6-1). It is not clear why this was the case.

---

but one reason may have been that when the demand for cigars declined on the world markets and cost-cutting measures became essential, the high-priced Deli wrapper was too expensive for some manufacturers, who could have turned to the lower-quality wrapper and binder leaf from Vorstenlands as a substitute. At any rate, it seems clear that the tobacco plantations did not get the same attention and assistance from the colonial government as sugar and rubber did. It is also appears evident that the production of Vorstenlands tobacco did not fall very much at all, certainly not as much as Deli or Besuki tobacco.

The extent of the decline in government revenue and expenditure is shown in the following Table.

Table 6-3: Net Revenue and Expenditure of the Netherlands Indies, 1929-1934 (In fl. million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>524.2</td>
<td>515.7</td>
</tr>
<tr>
<td>1930</td>
<td>438.6</td>
<td>523.0</td>
</tr>
<tr>
<td>1931</td>
<td>346.5</td>
<td>501.1</td>
</tr>
<tr>
<td>1932</td>
<td>274.6</td>
<td>424.1</td>
</tr>
<tr>
<td>1933</td>
<td>249.7</td>
<td>375.6</td>
</tr>
<tr>
<td>1934</td>
<td>255.2</td>
<td>337.0</td>
</tr>
</tbody>
</table>


Impact of the Depression in Surakarta and Klaten

In the Principalities, tobacco prices were already declining in 1928-1930, but they collapsed disastrously in 1932-1934 to one-third or less of the 1928 level. In 1934, the total value of exports of Vorstenlands tobacco was less than a quarter of what it had been in 1926. But the volume of production remained high at around the late 1920s level (except in 1936) (see Table 6-4). In this respect it differed from Deli tobacco, production of which declined by about 30 per cent in the early 1930s, although the fall in prices of Vorstenlands tobacco appears to have been slightly greater than that of Deli tobacco, as Table 6-5 and Figure 6-1 indicate.
### Table 6-4: Production, Prices and Value of Vorstenlands Tobacco; 1920/21 - 1928/29 Seasons

<table>
<thead>
<tr>
<th>Season</th>
<th>Production (In Baal)</th>
<th>Price (In Cents)</th>
<th>Value (fl. 000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1915</td>
<td>150,404</td>
<td>105</td>
<td>23,630</td>
</tr>
<tr>
<td>1920</td>
<td>59,983</td>
<td>42</td>
<td>3,800</td>
</tr>
<tr>
<td>1922</td>
<td>92,221</td>
<td>54</td>
<td>7,440</td>
</tr>
<tr>
<td>1924</td>
<td>99,676</td>
<td>91</td>
<td>13,640</td>
</tr>
<tr>
<td>1926</td>
<td>123,418</td>
<td>86</td>
<td>16,000</td>
</tr>
<tr>
<td>1928</td>
<td>120,957</td>
<td>63</td>
<td>11,500</td>
</tr>
<tr>
<td>1930</td>
<td>135,748</td>
<td>60</td>
<td>12,170</td>
</tr>
<tr>
<td>1932</td>
<td>122,467</td>
<td>34</td>
<td>6,250</td>
</tr>
<tr>
<td>1934</td>
<td>121,528</td>
<td>21</td>
<td>3,830</td>
</tr>
<tr>
<td>1936</td>
<td>103,842</td>
<td>44</td>
<td>7,000</td>
</tr>
<tr>
<td>1938</td>
<td>121,386</td>
<td>42</td>
<td>3,050</td>
</tr>
</tbody>
</table>

Source: *Sumatra en Java. Amsterdam: Dentz and Van der Breggen, 1940.*

### Table 6-5: Production, Value, and Prices of Vorstenlands, Besuki, Krosok and Sumatra Tobaccos, 1920-24 to 1935-38

<table>
<thead>
<tr>
<th>Average Years</th>
<th>Vorstenlands</th>
<th>Besuki</th>
<th>Krosok</th>
<th>Sumatra</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volume (in packs)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1920-24</td>
<td>93,549.4</td>
<td>146,733.0</td>
<td>416,860.2</td>
<td>183,935.2</td>
</tr>
<tr>
<td>1925-29</td>
<td>130,578.4</td>
<td>227,670.8</td>
<td>562,165.4</td>
<td>232,374.6</td>
</tr>
<tr>
<td>1930-34</td>
<td>124,626.4</td>
<td>201,225.8</td>
<td>474,992.2</td>
<td>160,144.2</td>
</tr>
<tr>
<td>1935-38</td>
<td>111,899.8</td>
<td>166,916.0</td>
<td>367,248.3</td>
<td>136,865.5</td>
</tr>
<tr>
<td><strong>Value (in fl. millions)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1920-24</td>
<td>8,860</td>
<td>10,483</td>
<td>28,600</td>
<td>70,140</td>
</tr>
<tr>
<td>1925-29</td>
<td>10,980</td>
<td>15,642</td>
<td>37,520</td>
<td>70,580</td>
</tr>
<tr>
<td>1930-34</td>
<td>6,450</td>
<td>9,047</td>
<td>20,200</td>
<td>30,380</td>
</tr>
<tr>
<td>1935-38</td>
<td>6,245</td>
<td>6,511</td>
<td>14,975</td>
<td>28,125</td>
</tr>
<tr>
<td><strong>Prices (cents 1/2 Kg.)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1920-24</td>
<td>61.25</td>
<td>38.85</td>
<td>39.45</td>
<td>245.00</td>
</tr>
<tr>
<td>1925-29</td>
<td>56.95</td>
<td>38.95</td>
<td>38.15</td>
<td>196.50</td>
</tr>
<tr>
<td>1930-34</td>
<td>33.85</td>
<td>24.00</td>
<td>23.60</td>
<td>122.80</td>
</tr>
<tr>
<td>1935-38</td>
<td>66.56</td>
<td>21.69</td>
<td>24.25</td>
<td>131.38</td>
</tr>
</tbody>
</table>

Source: *Sumatra-en Java Tabak, Dentz & van der Breggen, Amsterdam, 1940.*
Some information is also available on the levels of production on the four main NV-KCM estates in the 1930s (Figures 6-2, 6-3), which shows that production was well above the 1920s levels in all of them except Wedi-Birit, the main source of high-quality *dekblad* (That seems to support the suggestion made earlier about a shift in demand towards this less expensive and lower-quality brands). It is clear from these figures that the Depression had a relatively slight effect on tobacco production in Klaten although prices and profitability were much lower. Table 6-3 indicates a sharper decline in the volume of production in the second half of the 1930s than the first, although prices improved slightly.

The sugar industry in Surakarta Karesidenan was much more severely affected by the Depression than tobacco. Of the sixteen mills operating in 1930, a third were closed in the following years. The area planted with cane declined by about 40 per cent and thousands of Javanese workers lost their jobs. Some of the sugar land held by the plantations was reallocated to tobacco and some of the tobacco lands were used by the peasants to grow food crops. The worst period for the sugar industry in Surakarta was the 1935/36 season, when Gondangwinangun sugar factory, the largest owned by NV-KCM,
Figure 6-2: Various Tobacco Estates in Klaten, Production Index
1932/33 - 1936/37 (1920s average: 100)

Source: Lijst van Cultuur-Ondernemingen in Nederlandsch Oost-Indie, 1938.

Figure 6-3: Various Tobacco Estates in Klaten, Area Planted
1929/30 - 1936/37

Source: Lijst van Cultuur-Ondernemingen in Nederlandsch Oost-Indie, loc.cit.
(1934/35 data available for Juwiring only)
was closed. Some of its land was transferred to Kebonarum estate for growing tobacco. This meant that there was more land available for the peasants to grow food crops, but the importance of this change should not be exaggerated, for as a proportion of the total sawah area, this increase was very small. In several tobacco areas such as in Polanharjo, Wedi-Birit, and in other sugar factory land such as Delanggu and Jatinom, the peasants were allowed to share-crop the rented land according to the maro-system or sromo.\footnote{Letter from the Manager of CM-Wedi-Birit to the Director of Juwiring Estate Company,” Wedi-Birit, 2 December 1935; “Letter from the Director of Mirandolle, Voute & Co. (Agent) to the Director of the VKCM,” Semarang, 21 January 1936. AKCM, ARADH, Box No. 122.} Other tobacco estates such as Gawok also reduced its area planted. In 1934, for example, 60 bouws of the area of Gawok estate was withdrawn from production while 344 bouws had to be share-cropped to the peasants in 1935.\footnote{Ibid.}

It is not easy to get detailed information about what happened to the tobacco industry in Klaten in the Depression, although some information is available from the NV-KCM records and there is a useful Memorie van Overgave (MvO) by Treur in 1937, which gives general information about the conditions of Surakarta Karesidenan at that time, although with disappointingly little on the tobacco industry. Table 6-6 shows the volume of production of tobacco by NV-KCM in the later part of the 1930s; unfortunately we do not have data for the early years.

For purposes of comparison, it is worth noting that the average level of tobacco production by NV-KCM companies in the years 1926-30 appears to have been about 40,000 quintals per annum and in the previous five years (1920-25), just under 33,000 quintals. This confirms the impression that production rose in the early years of the 1930s although it declined slightly in the years 1936-38, before starting to recover. The only NV-KCM tobacco plantation closed down entirely in the 1930s was Demangan-Srago, which was converted to sugar. But there were some other case of reorganisation between sugar and tobacco cultivation, as we will see below.
Table 6-6: Tobacco Production of NV-KCM in Surakarta, 1934-1939 {In Quintals}

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Average Yield Per Hectare</th>
</tr>
</thead>
<tbody>
<tr>
<td>1934</td>
<td>42,667</td>
<td>14.65</td>
</tr>
<tr>
<td>1935</td>
<td>43,820</td>
<td>14.99</td>
</tr>
<tr>
<td>1936</td>
<td>33,609</td>
<td>14.98</td>
</tr>
<tr>
<td>1937</td>
<td>34,746</td>
<td>15.28</td>
</tr>
<tr>
<td>1938</td>
<td>37,831</td>
<td>15.26</td>
</tr>
<tr>
<td>1939</td>
<td>40,118</td>
<td>16.07</td>
</tr>
</tbody>
</table>


The fall in prices of Vorstenlanden tobacco during this time was from about 60 cents per pound to a little over 30 cents between 1928-30 and 1931-35, after which there was slight increase to about 40 cents for the years 1936-38. That was not such a sharp decline as occurred to Deli tobacco, but it clearly had a very severe effect on the total value of NV-KCM production. The worst years for the Vorstenlanden tobacco industry were 1934-35, when the total value of the tobacco harvested was slightly below fl. 4 million, whereas it had been as high as fl. 23 million and fl. 16 million in 1915 and 1926. There was a slight recovery between 1936-38, but still not back to the very profitable levels of the late 1920s.

The reaction of the tobacco companies to the fall in prices was essentially the same as that of capitalist enterprises everywhere, to cut costs in every way possible, by reducing wages and rents paid in particular. Precise details on the extent to which this was done are hard to obtain, but some figures are available showing the decline in daily wages of factory labours in the sugar industry in Surakarta and Yogyakarta between 1929-1939; and it can be assumed that wages in the tobacco industry fell to much the same degree (Figure 6-4). It is noteworthy that wages fall sharply between 1930 and 1932 (over 40 per cent) and there was a slight decline over the next three or four years. Rental payments were cut, as we shall see, by about 30 per cent.
There was presumably some reduction in employment in the tobacco industry in Klaten at this time, but it has been impossible to get any quantitative estimates of that. Since the area under cultivation did not decline much and the volume of production and yield remained relatively high, we are probably safe in assuming that there was no great decline in the labour force over-all, as there undoubtedly was in the nearby sugar kecamatan.

In order to obtain a reduction in the rent they were paying, the Dutch planters applied to the Sunan and the Sultan of Yogyakarta for a reduction in the 1932/33 season; a 20 per cent reduction was granted to the sugar estates but none to tobacco. In the following season (1933/34), however, tobacco and upland cash-crops were granted a 15 per cent reduction and sugar an additional 30 per cent. Later, the planters continued to press for
reductions in their land rentals on the basis on the argument that the price of rice to which the level of rent was linked had fallen considerably over the previous years. As a result of this pressure by the planters, the Governor of Surakarta issued a Besluit on 8 November 1934 setting lower land rental levels for the various sugar and tobacco kecamatan in the Karesidenan which were in operation from that time onwards. 23 O'Malley has noted that by 1934, the plantations still in operation were paying only in 41 per cent of the rental which they were legally obliged to pay. He described this as a generous concession on the part of the native rulers of the Principalities, but "a generosity indulged in at the advice of the Dutch administrative officials who agreed with the planters that only these breaks could prevent the plantation industry's going under at great cost to all." 24 Figures on the level of reduction of the rents paid by the companies in the 1930s as given by Treur are shown in Table 6-7.

Table 6-7: The Reduction of Land-rental Paid by Companies to Sunan of Surakarta and Prince Mangkunagoro, 1933/34 till 1936/37 Seasons [In per cent]

<table>
<thead>
<tr>
<th>Seasons</th>
<th>Sunan of Surakarta</th>
<th>Prince Mangkunagoro</th>
</tr>
</thead>
<tbody>
<tr>
<td>1933/34</td>
<td>23</td>
<td>28</td>
</tr>
<tr>
<td>1934/35</td>
<td>41</td>
<td>45</td>
</tr>
<tr>
<td>1935/36</td>
<td>33</td>
<td>43</td>
</tr>
<tr>
<td>1936/37</td>
<td>35</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: MvO Treur, p. 67.

In other words, the Sunan received in rentals for those four years a sum of fl. 4.4 million, whereas he should have been entitled to received fl. 6.6 million. The same figures for Prince Mangkunegoro were fl. 518,000 and fl. 877,000 respectively; in short, the total short-tall in their incomes was almost fl. 2.5 million. 25

23 MvO of Governor Treur, 1937, p. 166.
24 O'Malley, op.cit., p. 189.
25 MvO Treur, p. 67.
In order to reduce transportation costs, the companies appealed to the Dutch government to grant a reduction in rail freight charges; and for the 1937/38 season, a reduction of 25 per cent was granted to the tobacco estates. This was a relatively minor part of the total cost structure of the estates (fl. 1.1 per 100 kilograms for transport from the tobacco estate in Surakarta to Semarang), but it does reveal the kind of influence they were able to bring to bear on the Dutch government. They had earlier appealed to it to take over the cost of maintenance and development of the irrigation network, part of which they have previously had to bear in the 1920s; but it is not clear whether in fact the government did agree to this request.

The effect of the depression in the profitability of NV-KCM can be seen in Table 5-1 in Chapter 5. Losses were reported in every year from 1930 to 1935, except 1931 when a small profit was made. The worst year financially for the company was 1933, when it incurred a loss of fl. 4 million; but it is noteworthy that the losses over the next two years were relatively small and, in fact, dividends were being paid in those years, presumably out of reserves, although at a very low level. When we compare the figure of the 1930s, with the very high level of profit and high dividends paid out in the 1920s, the extent of the change of the NV-KCM's financial situation is very clear. On the other hand, it is almost certain that NV-KCM financial results through the 1930s were relatively better over-all than those of most other plantation companies, particularly sugar and rubber.

One of the cost-reducing measures undertaken by NV-KCM in the 1930s was to reorganise the land of some of their estates, from sugar to tobacco or vice-versa. It has been mentioned above that Demangan-Srago tobacco estate, formerly owned by the Demangan Company, was taken over by NV-KCM in 1932, but was transferred to sugar production and merged with Gondangwinangun sugar estate. Part of Gantiwarno tobacco estate was also merged with Gondangwinangun for sugar production, while the southern part of it was joined with Wedi-Birit. Likewise some parts of Jiwo estate, which had been brought under the management of the Wedi-Birit in 1922, were now transferred with Gondangwinangun for sugar. Beyond that, however, there was no major corporate
restructuring of the industry in the 1930s such had occurred ten years earlier. The main concern of the tobacco industry at this stage was simply to survive in a period of low prices and to minimize the costs, not to take big risks for the sake of expanding their production capacity.

**Effects of the Depression on Local Society in Klaten**

In discussing the impact of the Depression on the indigenous population of Klaten - or Surakarta Karesidenan as a whole - it is difficult to distinguish the impact in the tobacco growing areas from that in other parts of the Kabupaten or the Karesidenan. We do not have sufficient information to give direct answers to the question of whether conditions were any better or worse in the tobacco-growing area. Yet it might be safe to infer that because the tobacco estates did not reduce their operations as drastically as the sugar plantations did, economic and social life may not have been as seriously disrupted in the tobacco areas. On the other hand, it is quite clear that the amount of money income flowing generated by the tobacco industry must have declined very sharply, so that the shortage of money, which was one of the most serious hardships created by the Depression throughout Java, must have also hurt the peasants in the tobacco-growing areas very severely, even with the lower prices for consumer goods generally. So the picture given in this section relates mainly to the region as a whole, not specifically to the tobacco-growing areas.

Two of the most commonly mentioned effects of the Depression on the rural areas of Java are the expansion of the area of land devoted to food production that was made possible by the reduction in the area of the estate crops and, on the other hand, a shift towards something like a subsistence economy, made necessary by the decline in money incomes and the sharp contraction of the over-all volume of money in circulation. Money simply became very scarce, particularly in the rural areas. It is not easy to assess the precise effect of either of these processes in Klaten or Surakarta as a whole at that time. But the data available for the area of food crop planted in Surakarta Karesidenan in 1927 and 1935 do enable us to assess the changes in cultivated area, as Table 6-8 and Figure 6-5 indicate.
The most striking feature of the data in Table 6-8 is that the area planted with *padi sawah* increased by about 15,000 hectares over that eight year period, an increase of about nine per cent of the total area planted. Likewise, there was quite considerable increase in the area planted with soy bean and peanut (more than 8,000 hectares increase), although there was slight decline in maize and *padi-gogo* and cassava. The decline in those last three crops is surprising, since the production of *polowijo* had generally been increasing in Java over the previous 30 years and it again increased during the difficult years of the 1940s and 1950s; this may have been because there was less pressure to plant these lower-value crops since rice was so much more plentiful in the 1930s. It is important to notice that this increase of more than 20,000 hectares in the area under food crops was roughly double the area represented by the reduction in sugar and tobacco cultivation at that time. In other words, we need to look for some other explanation of the increase in area beside the obvious one that the impact of the Depression enabled the farmers to transfer land from the cultivation of plantation crops to food crops.

A possible explanation of this change is that the farmers were now forced to cultivate their land as intensively as they could in order to earn as much cash income as
possible by producing food crops, even at a time when the prices they were receiving for these commodities must have been very low. The data on total area harvested with various food-crops in the 1930s seem to support this theory, although not conclusively (Figure 6-5). Farmers still had to pay tax and had other needs for cash also, but no longer had such opportunities to earn cash incomes by laboring jobs on the plantations, as they had in the 1920s. It is significant in this regard that rice productivity in Klaten rose from 26.5 quintals per hectare in 1928 to 30 quintals in 1935 which were very high yields by Java standard at that time. The tax demands on the peasants were still very high in money terms and, must have, therefore, increased even more substantially in real terms because of the fall in prices of the food commodities they were producing for sale on the local markets.

It has frequently been said that the villages of Java managed to accommodate into their subsistence economy in the 1930s the unemployed plantation workers, including about 200,000 who returned to Java from the Outer Islands, because of the flexibility of the village socio-economic structures and the strength of community spirit there. Geertz later coined the phrase "shared poverty" to characterise this quality of village life, although he has later been much criticised for over-simplifying it. But we find a classic Dutch expression of that view in the report by Governor Treur in 1937. Treur's view may have been rather optimistic in his estimation that the decrease in money was compensated by new means of livelihood, since it almost inconceivable that the amount of new income generated from handicrafts and weaving in the 1930s could have produced anything like the amount of income previously earn from employment on the plantations. All sorts of jobs which had been generated in boom phase of the plantation industry, such

---


28. Treur reported that by 1936, for example, the situation of the peasantry in Surakarta Karesidenan was recovering due to increasing of food production, the improved structure of peasant agriculture and the lower price of clothing. Various household industries including handicrafts were also promoted by Dutch government in rural areas in Klaten and in other Kabupaten in this Karesidenan. *MVO* Treur, pp. 172 and 203-05.
Figure 6-5: Food Crops in Surakarta, Area Harvested
1920-29 & 1930-39

Source: Jaarcijfers
as sorting, carting and *pikulan* etc, were no longer available. Treur himself reports that because the scarcity of cash or coinage in circulation, payment in kind was now commonly given for all sort of transactions, particularly among the family members or relatives. What this means is that in effect the village economy was being forced back towards something much closer to a barter or subsistence economy during the 1930s, whereas the trend during the decade prior to 1930 had been in the opposite directions, towards increasing the use of money and the commercialisation of socio-economic life throughout much of the Residency.

The pressure to pay taxes or debts to moneylenders at a time of great scarcity of money and very low prices during the Depression created enormous hardships for the peasants. Hence great efforts had to be made to expand production of rice or any other crops for sale simply to get some cash. Old people in Klaten whom I interviewed remembered the 1930s as an especially different time, because the amount of cash in circulation was so scarce that a barter economy had to be commonly practiced. Consumption of lower quality foods, such as dried cassava (*gaplek*) became more common than in previous decades, while the ownership of clothing was very limited. In the tobacco-growing areas, the payment of land taxes was not as burdensome as elsewhere, however, because cash incomes could still be obtained from the tobacco companies in the form of *borongan* money and wages. This did not apply in sugar-growing areas, like Gondangwinangun, of which the area planted was decreasing, until it was entirely closed in 1935 (although it recovered briefly in 1936-37). This meant that the cash incomes earned in sugar-growing areas must have decreased more drastically than in tobacco areas. Fortunately, the sugar mills then share-cropped some of their uncultivated land to the peasants, so that some food was grown and cash income could still be earned through selling a part of the produce.

Most peasants in the rural areas of Surakarta were still very poor even before the depression, yet as landholders they were still required to pay taxes, for which they had to earn a cash income by some means or other. Many peasants were forced to pawn their
land to richer villagers simply to raise money to pay their taxes. One of the consequences of the Depression was that, as money became harder than ever to obtain in the plantation areas, there was an increase in theft of plantation property. In a report on this matter in 1938, the Governor of Surakarta said that the increase in theft could be attributed in part to the heavy taxes that had to be paid, but partly also to the dismissal of labourers by the plantations without adequate compensation, which he regarded as unjust and reprehensible. The peasants also responded to hardships and frustration of these years in other ways, by criminal actions or simply abandoning their land and running elsewhere in search of livelihood. Reports of cane-burning and the burning of smoke-houses were common; Governor Treur estimated the companies losses at Fl. 130,000 per annum. 29

To conclude, the Great Depression inflicted great hardships for the whole of the Netherlands Indies, hurting most of the plantations companies, in particular, as well as the peasants living in the countryside. The monetary policies followed by the Dutch government, which were among the most conservative and deflationary in the world, caused an unnecessary prolongation of that hardships. Consequently, the Depression created great difficulties for the agricultural companies operating in the colony over a long period, particularly the sugar industry, which never recovered to its pre-1930 levels of production. On the other hand, the tobacco industry in Surakarta was not nearly so severely affected. It seems likely that the Depression upon the peasant families in the tobacco-growing villages was not as catastrophic as it was in the sugar areas. But because of the close proximity of the two cash crops in the Principalities, it is not easy to assess the extent of economic hardships that occurred in Klaten or Surakarta as a whole or to see whether it was caused mainly by the decline of the sugar industry there or was caused by the lower cash payments now being made to the villagers by the tobacco companies.

CHAPTER 7
The Tobacco Industry in Surakarta: 1942-1958

Background

For the tobacco industry in Surakarta, the dominating features of the period from 1942 until its nationalization in 1957-58 were the disruption which affected local socio-economic conditions, and the uncertainty this caused to production, markets and the future prospects of the estates. These difficulties arose during World War II and continued through the struggle for Indonesian independence and the early years of the Republic. From 1942 to 1945, cigar tobacco producers were entirely cut off from international markets. The Japanese military administration disregarded tobacco in favour of other cash crops such as coffee, rubber and sugar, and other agricultural produce which supported the Japanese war effort such as food crops, cotton, and castor oil which were all cultivated on an extensive scale. From 1945 to 1949, the cultivation of cash crops practically ceased as the Republic and its military units occupied the interior of Java, including the Principalities. The social revolution that occurred in Surakarta during 1946 and 1947 also destroyed the buildings, while the First Dutch Police Action against the Republic, launched in 1948, resulted in a scorched earth policy and the destruction of most of the remaining tobacco and sugar factory buildings. These were burned down by the people under the direction of the Republic's military units. The chaos and disruption which occurred from 1942 to 1950 was followed by economic problems at the local level during the 1950-58 period, further hindering the development of the industry. After nationalization in 1957-1958 many of the same problems continued and the industry was unable to recover to its pre-war level of production and profitability.

This chapter is an attempt to identify the main effects of the disruption and uncer-
tainty of the years 1942 to 1958 upon the plantations and the peasants of Klaten. Did the almost total collapse of the colonial plantation system give the peasants a greater opportunity to grow rice and food crops or did it cause hardship and loss of income? Were the peasants able to benefit from these changes in any significant way? Landless laborers were obviously disadvantaged by the loss of employment resulting from the collapse of the tobacco companies. How did they find alternative sources of livelihood? As we will see, it is difficult to give clear answers to any of these questions because the various changes and disruptions of the period make it impossible to judge the impact of any one change in isolation. But the general outlines emerge clearly enough.

The Japanese Military Occupation: 1942-1945

Unfortunately, the sources of information available about the plantation in this period are extremely limited, both in Indonesia and in the Netherlands. However, it is clear that all the cigar tobacco enterprises in the colony were completely isolated from contact with both the Netherlands and their international markets, so that the production of cigar tobacco simply stopped completely between 1942-45 and was not resumed on any significant scale (and even then far below the pre-war level) until after 1950. During the war, the VKCM’s activities in Holland were placed under the coordination of the Commission for Wartime Transportation Law (*Commissie voor het Rechtverkeer in Oorloogstijd*) or CRO. During this period, the acting director of VKCM remained in close contact with CRO, although there was no contact with the company’s activities in the Netherlands Indies which had completely ceased. Its plantations were seized by the Japanese and the Dutch personnel were eventually interned, although in the first years they were retained as skilled employees for cash crop production mainly sugar, while the Javanese peasants were recruited as labourers throughout the agricultural sector.

---

1 According to the Directors’ report, dated 31 May 1947, out of 135 personnel employed by NV-KCM, 50 men were still in the Indies, 43 were working in Holland, 23 had been killed during the war, and the whereabouts of the remainder were unknown. “NV. Vereenigde Klattensche Cultuur-maatschappij en dochter-maatschappijen: Beknopt overzicht betreffende de jaren 1940 en met 1946.” AKCM, ARADH, Box No. 120.
After the Japanese military authorities assumed administrative control of Surakarta Residency in early 1942, they had to rely on all the available resources to keep the administration of Surakarta in operation. The Sunan and Prince Mangkunagoro were recognized as the traditional rulers in their respective territories although government affairs were conducted on the basis of the Japanese military commander’s orders. On 30 July 1942, General Hitoshi Imamura, commander of the 16th Army and supreme authority over government affairs in Java, installed Susuhunan Pakubuwono XI as Solo Ko (the Head of Surakarta Principality). The shortage of Japanese personnel compelled the Military administration to rely more heavily than the Dutch had done on the support of the priyayi. The Pangreh Praja hierarchy, using the Japanese titles of Ken Cho (Regency Head), Gun Cho (District Head), Son Cho (Sub-district Head), down to the Ku Cho (village-headman), was retained, and in fact strengthened in its authority, by the Japanese administration. A similar pattern can be discerned in cash crop agriculture where the Japanese military administration in Surakarta made use of both Dutch personnel and Javanese laborers in the plantations and factories, with the Japanese as supervisors.

The support demanded by the Japanese at the highest level of society in Surakarta was matched by their efforts to marshal support at the village level. To intensify propaganda among the villagers, the Japanese developed communication channels in rural

---


3 On the same day, Imamura formally issued an important order to Pakubuwono XI concerning the status of the autonomous areas in Java. Hitoshi Imamura’s orders can be found in H.J. Benda et al., *Japanese Military Administration in Indonesia: Selected Documents*, Translation Series, No. 6, Southeast Asian Studies, Yale University, 1965, p. 60; The Mangkunegaran was also declared as an autonomous area. On 14 August 1942, Prince Mangkunagoro VII was installed as Mangkunegoro Ko by General Imamura. On the same date Prince Pakualam VIII of Yogyakarta was installed as Paku Alam Ko. *Panji Pustaka*, No. 20, 22 August 1942, p. 686; *Kan Po*, Vol. I, No. 1, August 1942, p. 22. See Sujatno, loc.cit., p. 31.

4 By October 1945, there were still a small number Dutch nationals employed by the Japanese administration in the sugar factories and on the cash crop estates in Klaten. In 1930, there were nearly 1,800 Europeans in Klaten regency, but by 1945, their number had dropped to about a quarter of that. Before they were transferred to the Allied Forces, they were held by the Republican military units at Gantiwarno estate. Paniyta Pembangunan Monumen Perjoangan '45 Klaten, *Perjoangan Rakyat Klaten*. Klaten: 1976, p. 73.
areas, and in 1943, the Japanese administration introduced a new neighborhood association, *Tonari Gumi*, at the village level. This organisation enabled the Japanese not only to obtain the support of the rural population for their war effort but also to mobilize people more easily in the villages throughout the region. As a result of these measures the Japanese military administration was easily able to control the entire population of Surakarta.

The Japanese used the traditional sources of authority to accumulate rural resources to support the war it was conducting in Asia. For example, after his installation as *Ko*, Prince Mangkunagoro VII instructed his people to obey Japanese military orders, and to work together with the Japanese nation to build a new society in Java. Not long after Japanese authority was established in Surakarta, hostility towards Dutch and Chinese was encouraged and the looting of Dutch houses and factories occurred, as well as the ransacking of Chinese shops. The Japanese took immediate steps to collect the goods and property which had been stolen. The possession of foodstuffs was strictly controlled and any inhabitants of Surakarta who possessed more than 2,000 kilograms of rice were required to register the amount they held. To control food supplies in the region, the Japanese set up a Special Region Rice Cooperative (*Kochi Beikoku Kumiai*) as the only body which was permitted to buy rice and paddy. This organisation was directly under the supervision of Japanese officials. To support their objectives, the Japanese set up a Regency Rice Traders' Association (*Ken Beikoku Kooeri Kumiai*) in every regency. This organisation was responsible for the sale of rice to the retailers (*bakul*) who distributed the rice to the people.

In addition, the people were also compelled to surrender any valuable they owned, including gold and jewellery, to the Japanese to support the Asia War effort. With the introduction of such measures, the Japanese attempted to control all available resources in Surakarta. In the first years of the Japanese occupation, rich peasants were able to take

---

5This new administrative unit consisted of between ten and twenty households. Its head was called *kumicho* and was elected by its members. *Tonari Gumi* was modelled on an institution set up in cities and villages throughout Japan.
advantage of the situation by purchasing gold, cattle or other possessions sold by poor peasants to buy food. But later on, the Japanese ordered all valuable belongings, especially gold and diamonds, to be surrendered. The Sunan and Prince Mangkunagoro were involved in this task as members of the Committee for Gold and Diamond Collection, and Sujatno reports that the people of Surakarta became the largest contributors of gold and diamonds in Java.⁶

The fact that government officials were not paid for several months after the Japanese occupation began and the restrictions placed on trading in foodstuffs caused severe economic hardship to the people of Surakarta. Despite the efforts of the Japanese authorities in Java to stop price increases, food prices continued to rise as production decreased, as the value of the Occupation currency fell, and as the arrival of Japanese troops made further demands upon consumption. After the war ended, a Yogyakarta newspaper reported that the production of paddy in Java had dropped significantly during the Japanese occupation.

**Table 7-1:** Paddy and Secondary Crop Production in Java in 1941 and 1944

<table>
<thead>
<tr>
<th>Year</th>
<th>Paddy (In Quintals)</th>
<th>Secondary Crops (in Quintals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1941</td>
<td>899,934,807</td>
<td>121,525,781</td>
</tr>
<tr>
<td>1944</td>
<td>681,115,550</td>
<td>900,556,664</td>
</tr>
</tbody>
</table>


From 1941 to 1944, rice production in Java fell about 25 per cent, although a substantial increase occurred in the production of secondary crops. Even though the peasants in Surakarta were desperate to grow rice, their capacity to do so was seriously impaired by a lack of labour due to para-militarymobilization and the expansion of cotton and

---

castor oil cultivation which absorbed at least 25 per cent of all agricultural land in the residency.

An important factor working against tobacco cultivation was the need to concentrate upon those cash crops which were needed for the Japanese war effort such as castor oil and rubber, and essential food crops such as sugar. The Netherlands Indies were blockaded by Allied naval forces and there was no possibility to transport produce to international markets. This compelled the Japanese to concentrate on sugar, rubber, jute, and coffee. In addition, the Japanese administration faced various difficulties in attempting to operate the large estates. Many Surakarta banks were bankrupt or had closed down and the Japanese were unable to find sufficient capital to meet running costs and overheads. The sugar industry, which needed more working capital than other plantation crops, suffered most heavily. However, during the first year of the Japanese occupation, the sugar industry in Surakarta was not as seriously affected as it was elsewhere in Java. Sugar production in Surakarta declined only about 15 per cent during this period. On the other hand, out of 85 factories operating in Java in 1942, the number dropped to 51, 47 and 12 factories respectively in each of the following years. During 1942 and 1943 the area planted with cane and the production levels in Surakarta decreased significantly, although not catastrophically.

Table 7-2: The Area and Production of Sugar Cane in Surakarta: 1941-1943

<table>
<thead>
<tr>
<th>Year</th>
<th>Area planted (In Hectares)</th>
<th>Production (In tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1941</td>
<td>4,220</td>
<td>71,095</td>
</tr>
<tr>
<td>1942</td>
<td>3,152</td>
<td>59,232</td>
</tr>
<tr>
<td>1943</td>
<td>3,152</td>
<td>59,232</td>
</tr>
</tbody>
</table>


In 1941, when the sugar industry in Surakarta was still controlled by the Dutch, Gondangwinangun estate planted 1284.50 hectares of land and produced 273,922 quintals
of sugar. In 1943, the Japanese administration did not give high priority to sugar cane cultivation, but other crops, such as cotton, castor oil and rice, were considered to be of greater importance in the agricultural production of Surakarta Residency. In the following year, the area planted with sugar cane fell dramatically and it entirely disappeared in the last year of the Japanese occupation in 1945. However, other crops including jute and rosella, which in 1940 had been an important crop grown by NV-KCM, were retained by Japanese.

As far as the organisational structure of NV-KCM was concerned, the Japanese retained its management structure, with the Japanese military commander holding a supervisory position. Because tobacco was not grown, the Dutch personnel who had been attached to the tobacco estates were employed on other cash crop plantations such as rubber, coffee and sugar. During the Japanese occupation, cash crop agriculture was centered upon sugar areas and those upland areas where rubber and coffee were grown, while the former tobacco areas were returned to the peasants for food crops. The Japanese simply ignored the contracts between the peasants and the tobacco companies. However, this did not mean that the peasants were able to grow food crops on this land throughout the entire year, because the Japanese also compelled them to grow other cash crops such as cotton. It is evident that in the implementation of their agricultural policy the Japanese administration in Surakarta concentrated upon some of the cash crops grown by Dutch companies such as coffee, sugar cane and rubber, while other crops such as castor oil and cotton were also grown on an extensive scale.

7 In January 1952, at a special meeting in the Hague of share-holders of NV-VKCM (the United Klaten Estates Company), it was reported that in the 1942 season the area planted was only 920.75 hectares and it was harvested by the Japanese military administration. Shareholders also were told that as of August 1945 the sugar industry in Surakarta had collapsed. “Beknopt Overzicht Betreffende de Jaren 1940 tot en met 1946,” AKCM, ARADH, Box No. 122.

8 At a meeting of Japanese and Indonesian officials on 20 and 27 October 1943, Takahashi, the Japanese military officer in charge of Surakarta residency, announced the launching of a program to increase agricultural production. The crops to be concentrated upon were cotton, castor oil and rice. “Verslag Persidangan Meningkatkan Hasil Boemi Di Daerah Soerakarta Koochi 27 Oktober 1943” in Sujatno, op.cit., p. 41.

9 In 1940, these crops were grown by Dutch planters in various parts of the residency, totalling 1,484 hectares. “Verslag over de boekjaren 1940 t/m 1950 der NV. Klatensche Cultuur Maatschappij, uit te brengen in de Buitengewone algemene vergadering van andeelhouders te behouden op 28 January 1952.” AKCM, ARADH, Box No. 122.
Apart from using the peasants' land, the Japanese also used their labour, especially that of young able-bodied men, for various war projects and para-military organisations. The manpower strategy implemented by the Japanese was able to penetrate all levels of society, and included labour mobilisation schemes for various purposes. The famous labour battalions, *romusha*, recruited ordinary villagers for work on various war projects in other parts of Java and even as far away as Burma. Local sources report that by 1944, there were about 2,000 men from Surakarta who had never returned to their villages, their whereabouts and their fate remaining unknown.\(^\text{10}\) Japanese propaganda, however, strongly influenced the attitudes of the younger generation, and the youth of Surakarta were organised into auxiliary military units (*heiho*). The number of the youth in Surakarta recruited into *heiho* is not known, but in urban areas, the size of the average *heiho* units averaged about fifty per *kampong*. In rural areas, the units were smaller in size because labour was usually directed into the *romusha* program. Apart from *heiho*, the Japanese also formed an auxiliary youth corps (*seinendan*) for youths from fourteen to twenty-two, and a vigilance corps (*keibodan*) for young men from twenty-three to thirty-five.

To increase support for the war effort, the Japanese attracted the support of influential Indonesian nationalist leaders. A Java-wide quasi-nationalist organisation, the Centre of People's Power (*Putera*), was set up under the leadership of Ir. Sukarno and Mohammad Hatta. After the formation of the Solo branch in March 1943, sub-branches were established at the regency level. In Klaten, the Regent himself chaired the meeting which established the *Putera* sub-branch. Throughout Surakarta residency, *Putera* was of great of importance to the Japanese, especially in the mobilization of villagers as *romusha*. On the other hand, *Putera* was also used by nationalist leaders especially at the national level, as a way of spreading the message of Indonesian nationalism and the hope for future independence.

In March 1944, *Putera* was replaced by the People's Service Association in Java

\(^\text{10}\)Sujatno, *op.cit.*, p. 43.
This new organisation was on a larger scale than *Putera*, and had branches which reached into all regencies, districts, and villages. In Surakarta, most of the existing organisations, including *Seinendan, Keibodan* and *Tonari Gumi*, became closely linked to it. At a conference of these organisations, conducted in Solo by the Surakarta chairman of *Hokokai* on 24 March 1945, it was resolved that the economic hardships which were occurring had to be born by the Javanese people. The various member organisations were expected to support the increasing expropriation of goods and materials from Java to Japan which was resulting in the Javanese people being more and more inadequately fed and clothed throughout 1944 and 1945. These organisations were also expected to support the resistance to an expected invasion by Allied Forces, who were already attacking territory under Japanese control in Burma and Philippine. With this in mind, the Japanese set up another organisation, the Defenders of the Fatherland (*Peta*), as a military organisation which later grew into the nucleus of the armed forces of the Indonesian Republic. This body was not only of use to the Japanese before 1945, but was vital to the Indonesian cause during the Independence struggle which followed.

The Javanese people quickly discovered that Japanese promises to build a more prosperous society in Java were false. The various resources of the island of Java were tapped in support of the Japanese war effort and paddy, rice, leather, draught animals, wood, and bamboo were regularly collected from the people of Surakarta residency. While a proportion of these goods was stored locally in reserve to continue the war against the Allied Forces, most were transported directly to Japan.

---

11 This conference discussed the New Life Movement (*Gerakan Hidup Baru*) with its program of love of the fatherland (*Japan*), defence of the village (*against the Allied Forces*), and self-sufficiency in food and clothing. By 1945, the Javanese were experiencing miserable conditions with severe food shortages and large numbers of able-bodied men mobilized as *romusha*. The Japanese urged the Javanese to eat corn and sweet potatoes while rice was shipped to Japan. Gandasubrata, "An Account of the Japanese Occupation of Banjumas Residency, Java, March 1942 to August 1945." Translated from the Indonesian by Leslie H. Palmier. Data Paper No. 10. Southeast Asia Program, Department of Far Eastern Studies. Cornell University, 1953.

12 In November 1945, a huge amount of food, clothing and medical supplies were found stored in the Jatinom sugar factory. It was estimated that this was sufficient to meet the requirements of the Japanese personnel in that factory for five years, and it sufficient to meet the needs of the population of Klaten regency for several weeks. *Perjuangan Rakyat Klaten*, op.cit., p. 70.
Although detailed information is unavailable, from what little is known of the Japanese occupation, the inhabitants of Surakarta seem to have been even worse off than the population in other parts of Java. As far as labour recruitment was concerned, Surakarta appears to have been one of the hardest hit regions in the Netherlands Indies. Many of those who were sent to Burma and elsewhere in auxiliary military units or as forced labour never returned, and many of those who did return joined the ranks of the unemployed. The collapse of cash crop agriculture, which had offered the main source of income to the increasingly large number of landless laborers in the region, certainly caused great hardship to this segment of the population in rural areas.

In 1944 and 1945, severe shortages of food and textiles seriously affected the population throughout Surakarta residency. In those years, the Japanese demanded two-thirds of the rice produced by peasants, which was purchased at a low price. This left the people in the region without local buffer stocks and many peasants in poorer areas such as Wonogiri, Karanganyar and Boyolali died of malnutrition. To meet clothing shortages, the Japanese urged the peasants of Surakarta to wear jute. The end of the war and the Japanese occupation in August 1945 did not immediately bring a solution to these problems, but conditions gradually began to improve in the following years.

---

13 In Surakarta, the membership of Heiho exceeded 5,000, higher than the average number for any other Residency in Java. At the end of the Japanese occupation the total strength of Heiho in the entire Netherlands Indies was about 42,000, with 23,873 from Java, 2,504 from Timor, and about 15,000 from other areas. In addition, 10,000 peasants were recruited as romusha, and a further 2,000 were mobilized in Peta. In other words, the Japanese were able to mobilize about 17,000 people from Surakarta, who were directly involved in various war projects while most of the remainder of the population were involved in agricultural production, used by the Japanese to support the war machine. Perjoangan Rakyat Klaten, op.cit., p. 49; Sujatno, op.cit., p. 43.

14 In other parts of Java, such as Banyumas example, it was reported suffered from food and clothing shortage occurred while there are no reports of people dying of malnutrition. Gandasubrata, op.cit., p. 16.

15 The gunny sack factory in Delanggu was converted to weaving textiles made from jute. Sujatno, op.cit., p. 44.
The Independence Struggle

After independence was proclaimed, the Republican Government proceeded to establish a revolutionary government and regional national organizations as quickly as possible. On 19 August, the President appointed governors for the eight provinces within its territory, and the status of the Principalities of Surakarta and Yogyakarta were also discussed. The Committee decided that for the time being the Principalities should continue to have the same status as they had under the former Japanese administration. Surakarta and Yogyakarta regencies would be a part of the new Republic and directly under the Central Government. More importantly, in a Decree issued on 18 August 1945, President Sukarno recognized the Sunanate of Surakarta and the Sultanate of Yogyakarta, including the Mangkunegaran and the Paku Alaman, as special regions (*Daerah Istimewa*). Later, however, their authority was undermined by "Social Revolution" of 1946.

At first, revolutionary activity in Surakarta mainly took the form of raising red and white flags and sticking placards with the words "property of the Indonesian Republic" (*milik Republik Indonesia*) on the walls of public buildings and factories. Those involved in this activity were former *Peta* and *Barisan Pelopor*\(^\text{16}\) members and some local politicians. Various Struggle Bodies (*Badan Perjoangan*) soon were established in Klaten, which embraced not only the various groups of youths (*permuda*) in rural areas throughout this Kabupaten and others, such as civil servants (*pamong praja*) and railway station employees, but in some cases also represented certain political groups. Thus, Hisbullah and Barisan Sabilillah were composed of Moslem youths, while Pesindo was affiliated with the Indonesian Communist Party (PKI) and Barisan Banteng was under the influence of the Indonesian Nationalist Party (PNI). Initially, the aim of these *Badan*

\(^{16}\) *Barisan Pelopor*, a Japanese sponsored organisation, was established in 1944. It continued to exist after 17 August 1945 and in mid-December 1945 its name was changed to *Barisan Banteng*. In Surakarta, pro Sukarno and PNI elements were dominant in this organisation. G.McT. Kahin, *Nationalism and Revolution in Indonesia*. Ithaca, New York: Cornell University Press, 1952, p. 164; Sujatno, *op.cit.*, pp. 57-58.
Perjoangan was the take-over of Japanese and former Dutch property, such as motor vehicles and buildings, which were then transferred to Republican control.

Following the disarmament of the Japanese military forces on 3 October 1945, steps were taken by the authorities in Klaten to seize Japanese-controlled property. However, on 30 September, on the order of Budiardjo, the chairman of the Republic of Indonesia Youth Organisation (Angkatan Muda Republik Indonesia or AMRI), a meeting was held under the chairmanship of Hadisumarto and Hartono, of the pemuda, which was attended by various government officials and pemuda groups. The main item of the agenda was the take-over of Japanese-controlled property and the way this was to be put into effect. It was agreed that the take-over had to occur immediately but that several matters had to be dealt with first, in particular the problem of the management of this property, and the need to consult the peasants and youth of the surrounding areas. Throughout October 1945, sugar factories and tobacco estates in Klaten regency were taken over by the youth groups, and the management of these plantations fell into Republican hands.\(^{17}\)

During this transition period, the role of the pemuda in Klaten was significant. On the day after the meeting called by Budiharjo, a mass meeting was held in Klaten to obtain support for the planned take-over. Leftists such as Ngadino took advantage of the situation to win popularity which was later useful when he sought the position as Regent of Klaten. It was clear that mass support for these initiatives was strong.\(^{18}\) The power exercised by the pemuda over the appointment of the leaders of the take-over, which included not only pemuda members but also senior government officials at the regency level, reflected the strong influence of the pemuda over government agencies at that time.

The increasing influence of prominent pemuda in Klaten was indicated by the ap-

\(^{17}\) *Perjoangan Rakyat Klaten*, op.cit., p. 74.

\(^{18}\) Meanwhile, Budiardjo and Suparman inspected the factories which were to be seized. After the meeting, the pemuda activists took charge of the Japanese-controlled property in various districts. It was decided that the take-over of the Japanese-controlled property in the town of Klaten would be led by Hadisumarto, Martijo and Suparman. This included Japanese motor vehicles passing through town, while Projosupadmo, the District Head of Klaten, and Sudibyo were in-charge at Manisrenggo, Prambanan and Gondangwinangun sub-districts.
pointment of Ngadino and Hadisumarto to prominent positions in the police force. In
mid-October, Ngadino and Suselan were placed in charge as commanders of the newly es-
established military police, while Hadisumarto and Suparman were appointed leaders of the
Red-and-white Special Military Corp (Pasukan Istimewa Gerak Cepat Merah-putih).
The reputation of the pemuda was enhanced by their good performance during the seizure
of the Japanese-controlled property, where the pemuda worked hand in hand with the
police force. The transfer of the factories and estates from Japanese to Republican control
did not mean that the cultivation of cash-crops such as sugar cane and tobacco could be
resumed immediately. Skilled personnel and operating capital were still in short supply.
Until the return of NV-KCM in 1950, these factories and estates remained closed, while
after the Japanese surrender some estates were used to house Dutch personnel before they
were transferred to the Allied Forces and the Republican military units of the hjrah
groups. Theoretically, the peasants were able to use the land of the former Dutch estates
to grow food crops, but because of the social and political uncertainty in this residency
throughout the second half of 1940s little of this seems to have occurred.19

At the national level, communist and other leftist groups supported their leaders'
policies, such as those of Sjahrir and Amir Sjarifuddin, but in Surakarta the left wing was
already taking a different line. The communist groups opposed the central government
after the Struggle Union (Persatuan Perjuangan or PP)20 was established, because the
leftists in Surakarta wanted to eliminate the Sunan and Mangkunagoro. PP elements
were also strongly in favour of a radical policy involving the nationalization of all Dutch
enterprises, including the plantations, and a refusal to negotiate with the Dutch. This
group believed that the central government was protecting the “feudal” rulers and this be-

19 Respondents interviewed recollected that during the Dutch first and second police actions for
example, they had to move from one place to another to avoid the Dutch soldiers’ brutality. Inter-
views with village council member of Kalitengah village, Wedi Kecamatan, Polan village, Polan
Kecamatan, and Delanggu village, Delanggu Kecamatan. 12, 23, 25 January 1986.
20 Persatuan Perjuangan was formed on 6 January 1946 in Purwokerto by the group supporting
Tan Malaka. This organisation rapidly attracted the support of 143 popular organisations and it
was supported by Badan Perjuangan as a mean of their coordination in attacking the British and
the Dutch. This group was strongly oppose Syahrir, so that when the Syahrir’s second cabinet was
announced on 12 March 1946, non of PP leader was appointed. Sujatno, op.cit., pp. 93-94.
came evident when the central government took the dramatic step of arresting several prominent members of the anti-swapraja group on 23 May. Criticisms were addressed to the government regarding the 23 May affair, and at the end of May, with the special help of the police of Surakarta and Soerjo, governor of East Java, the Barisan Banteng leaders and the Directorate group were released.

Daulat actions occurred not only in Surakarta but also in other parts of Java such as in Pekalongan, Brebes and Pemalang. The daulat action in Surakarta was intended to remove the traditional rulers (swapraja) from power, while in Pekalongan and surrounding areas the pemuda wanted to overthrow the bureaucratic elite which were governing on behalf of the Dutch colonial administration. A new popular administration supported by the masses was to be established in Surakarta, radically different in values and attitudes from the old regime. The daulat action in Surakarta was strongly supported by the anti-swapraja group which included Dr. Muwardi, the Barisan Banteng group, Sujono, leftists, Sutarto of the Senopati Division, and former the AMT group.

The daulat phenomenon which occurred was a part of the Social Revolution which developed in the course of 1946. In the rural areas of Surakarta daulat action led to the replacing of former village headmen. In Klaten regency, the anti-swapraja movement formed various agencies such as the Administration agency, the Agriculture agency, the

---

21 On 23 May, the Minister of the Interior ordered the Surakarta police to arrest Projosudodo, Djuwardi, and Ronomarsono, who were known as anti-swapraja figures from the Directorate. On the same day, Muljadi Djojomartono, Dr. Muwardi, Mangkusudijo, and Hadisunarto, the Barisan Banteng leaders, were also arrested.

22 The local paper *Indra* described the 23 May affair as 'political imprisonment' while the Barisan Banteng members at protest demonstrations conducted on 28 May urged the central government to release their leaders. A prominent leader of Barisan Banteng, Sudiro, who acted as the head of Barisan Banteng, sent an ultimatum to the cabinet that the prisoners had to be released within forty-eight hours. If not, he would retire from the organisation and the likely chaotic situation which would occur in Surakarta would not be his responsibility. A.H. Nasution, *Sekitar Perang Kemerdekaan Indonesia*. Vol. 3. Bandung: Angkasa, 1977, pp. 113-14.


Welfare, Social and Culture agencies. In February 1946, formal talks were conducted between the revolutionary group and K.R.M.T. Yudodiningrat, the Regent assigned by the Sunan. The Regent was strongly opposed to the anti-swapraja movement and because of the actions of this group his position was becoming stronger. He was re-called by the Sunan and appointed as the new Vizier in the Sunan’s Palace, so that the regentship fell vacant.

With the regent’s position vacant in Klaten, the administration was carried out by the Indonesian National Working Committee (Badan Pekerja Komite Nasional Indonesia or BPKNI). The leftists were led by Ngadino as the head of the economic and security division, able to control of this committee. On 1 May 1946, at a mass meeting organised in the Klaten town square, it was declared that Klaten regency was no longer a part of the Kasunanan and instead was now a part of the Republic. During this transition period, the candidates for the Regent’s position could not be nominated by BPKNI in such a short time, so that the appointment of a Regent for Klaten could not be carried out immediately. Uncertainty was increased when Bustamin, the secretary of the Klaten KNI, was arrested by the police and jailed for three weeks.

This power vacuum was used by the leftists to gain power. Nine days after the arrest of Bustamin, Ngadino, a member of the BPKNI, appointed himself as the Regent of Klaten. This provoked a reaction from the revolutionary groups, as the BPKNI did not recognize his appointment, and the provincial government of Central Java ordered the police to arrest him. After about four months of uncertainty, a new regent was appointed in September 1946. Soedomo, a dentist who had started his carrier as a bureaucrat in Sidoarjo regency, in East Java, was formally sworn in as the new Klaten Regent. The separation of Klaten Kabupaten from the Kasunanan was accentuated by further reforms of the regency legislative body, the administrative structure from the district down to the village level, the introduction of fiscal measures affecting village banking, village cooperatives and the provision of basic needs from the regency administration to the people. The steps taken by the people in Klaten to separate from the swapraja were followed by the people of other regencies in Surakarta.
During the Soedomo administration, significant changes occurred in the regulations regarding the use of land for cash crops and the operation of private pawn shops. In dealing with the problem of cash crop cultivation, Soedomo was still quite moderate and was of the opinion that the plantations would remain in Dutch hands, even though the Persatuan Perjuangan had advocated the nationalisation of the estates. Soedomo stressed, however, that the Republican-controlled estates were not allowed to use only the best land available in the old estate areas. Moreover, the peasants were now allowed to use water for irrigation purposes in the day time. The plantations were also urged to return land to the peasants as soon as cash crop cultivation was completed, and if there was a delay, compensation had to be paid. Private pawn shops which were regarded as parasitic to the peasants in rural areas were close down. To provide credit facilities in rural areas, the government set up its own pawn shops in needy districts.

Ever since the landing of the Allied Forces in Semarang on 17 September 1945, Klaten had played an important role as a major activity centre for the Republic. When the capital of the Republic was moved to Yogyakarta, several Departmental offices were accommodated in Klaten.26 Thousands of people from the cities and regions occupied by the Allied Forces and the Dutch army moved to Yogya and Klaten to save their lives. Several factories and institutions were established in Klaten to support the Republic.27

---

26 The Ministry of Justice had its office in a building at Gondangwinangun sugar factory compound while the Ministry of Defence was housed in a former Klaten clayburning building, next to the Klaten railway station.

27 An opium factory was set up in the Ceper sugar factory under the leadership of Mukarto Notowidagdo, a shoe factory, medical tool factory were also set up. To support the Red Cross unit of the Republic, the Pasteur Institute was also transferred to Klaten. To accommodate the education of the refugees, in June 1946, a college for Medicine, Veterinary Medicine, Agriculture and Pharmacy was established there. Sardjito, a well-known medical doctor, initiated this education institution which happened to be the embryo of the Gadjah Mada University at Yogyakarta. Perjoangan Rakyat Klaten. op.cit., pp. 105-107.
Cash Crop Enterprises and the Independence Struggle

During the first years after the Japanese surrender, the Dutch plantation companies were unable to resume the operation of their estates in Indonesia, since the Dutch colonial government was able to exercise authority only in some limited areas around the main port cities. In Holland, talks took place on various occasions between the Dutch companies operating in Indonesia and the Dutch government about measures to be taken to regain control of the colony. From the reports of these meetings found in the archives, it seems that the plantation companies were in favour of strong military action to regain control over their former estates.\(^{28}\) Steps were also taken by the plantations companies in Holland, in anticipation of their return to the colony, to cope with the difficulties imposed by the post-war situation. On 8 March 1946, the Board of Directors of the VKCM decided to merge several enterprises which were formerly individually managed.\(^{29}\) The company was compelled to reduce its personnel,\(^{30}\) but as far as the possibility of resuming business in the Indies was concerned, the Directors were not entirely pessimistic, although they were aware of the many serious political and economic problems ahead.\(^{31}\)

In 1946, the political situation in Surakarta and in several other parts of Java was deeply affected by the Social Revolution which erupted in those places. In that year, the people attempted to replace the administration which had been established by the Dutch colonial authorities with one sympathetic to the aims of the Republic. During 1946, all the sugar factories in Surakarta were taken over by the Republic. In May 1946, the sugar enterprises belonging to both Prince Mangkunagoro and the Dutch companies were nationalised and placed under the control of the State Sugar Enterprises Board of

\(^{28}\) Details of these meetings have been drawn from an account in the NV-KCM archives. See "Verslag van de Vergadering van Vertegenwoordigers van het Western Bedrijfsleven in Nederlands Indie gehouden op Woensdag 28 Agustus 1946 vm 10:40." AKCM, ARADH, Box No. 122.

\(^{29}\) In 1940, the directorship of all the companies owned by NV-VKCM in Java was transferred to W.A. Terwogt, a director of NV VKCM and R.W. van Duinen, the director of NV. Mirandole, Voute and Company, the importer of Vorstenlands tobacco produced by NV-VKCM. The branch office of NV-VKCM was transferred from Klaten to Semarang. "NV. VKCM en dochtermaatschappijen: Beknopt overzicht betreffende de jaren 1940 en met 1946." op.cit.

\(^{30}\) In 1947, 14 employees in Holland were dismissed. Ibid.

\(^{31}\) Ibid.
Management (Badan Penyelenggara Perusahaan Gula Negara) or BPPGN. In the following year, those remaining enterprises belonging to the Susuhunan and Prince Mangkunagoro were taken over by the Republic and coordinated by the Surakarta National Enterprise (Perusahaan Nasional Surakarta or PNS). With the First Dutch Military Action in July 1947, cash crop enterprises in Surakarta became inoperable due to the economic and political chaos which occurred in Surakarta. Dutch troops occupied Salatiga and Banjumas, and many refugees from these and other Dutch-occupied areas came to Klaten and other regencies in Surakarta. Attacks launched by the Dutch air force on Klaten and other areas in Surakarta pushed agricultural issues and problems associated with plantation enterprises into the background and many sugar factories were transformed into armament factories.

The Renville Agreement which was ratified with the interference of the United Nations compelled the Republic to vacate the so-called “pocket territories.” The evacuation of military units (hijrah) from the Dutch-occupied territories to the recognized Republican territories including Surakarta, resulted in an immediate food supply problem. The sudden increase of the population caused by the arrival of troops and refugees, depleted the supplies of food and goods in Surakarta. The economic blockade of the Republic put into effect by Dutch military forces aggravated the region’s economic problems, and the shortage of food supplies added to the friction between in-coming

---

32 PNS was set up by Government Decree No. 9/1947. It supervised the estates which previously belonged to the Sunan: a sugar estate in Manisharjo, a coffee-rubber-tea estate in Ampel, a jute estate in Karanggeneng, and a tobacco estate at Tegalgondo. It also controlled the Mangkunagoro’s plantation enterprises: the sugar factories in Tasikmadu and Colomadu, a jute estate in Mojogedang, and a coffee plantation in Kerjogadungan, and all former Dutch enterprises in Surakarta.

33 Wonosari sugar factory was used to produce mortars, and Manisharjo sugar factory produced ammunition. In addition to the armaments taken from the Japanese, those produced in Klaten were sufficient to meet the needs of the military units at the front. Perjuangan Rakyat Klaten. op.cit., pp. 124-25.

34 The Renville Agreement was reached by Indonesia and the Dutch with the supervision of a Three Country Commission: Australia, Belgium, and the United States of America. The negotiations were conducted aboard the S.S. “Renville” on 17 January 1948. G.McT. Kahin, op.cit., p. 234.

35 “Pocket territories” (daerah kantong) were the Republican-controlled territories in Dutch occupied areas.
hijrah military units\textsuperscript{36} and local military units.\textsuperscript{37} This tense situation was made even worse by the planned reorganisation and rationalisation of the Republican army.\textsuperscript{38} While quarrels between the military units were occurring, sometimes leading to physical clashes, the PKI launched a coup d'etat on 18 September 1948 in Madiun.

The Second Military Action launched by the Dutch in December 1948 enabled them to occupy Yogyakarta and Surakarta. With heavy air support, the Dutch army was able to move from Salatiga to Solo, and Solo was taken on 21 December, while Klaten fell to the Dutch forces manouvring through Cokrotulung in the north and Solo from the east. In fact, there was practically no resistance by the Republican forces because the TNI had decided to withdraw from the city and had implemented a scorched-earth policy. On the evening of 20 December, the Student Army (Tentara Pelajar or TP) burned down many important buildings in Solo, including the post office, the military headquarters, and the market. Throughout Klaten, tobacco, sugar and textile factories, and other important buildings were all gutted by the masses in many localities.\textsuperscript{39} In order to protect the factories which remained undamaged, the Dutch installed army personnel in the estate compounds, and early in 1949, nearly all the undamaged former VKCM sugar factories were placed under Dutch control.\textsuperscript{40}

\textsuperscript{36}The hijrah military group was led by Daeng Matalata, Kahar Muzakar, and supporters of the Service of Indonesian Peoples of Sulawesi (Kebaktian Rakyat Indonesia Sulawesi). Their headquarters in Klaten were located in the former tobacco estate building at Srago and hijrah militia were billeted in several buildings in the town of Klaten. Perjuangan Rakyat Kabupaten Klaten. op.cit., p. 131.

\textsuperscript{37}Interview with Dr. Soewito-Santosa, a former member of pemuda group during the revolution in Solo, 28 October 1987; op.cit., p. 136.

\textsuperscript{38}This program was launched by Hatta who believed that the army was not functioning properly and that a reduction in its size would enable the government to secure greater control over its activities. Kahin, op.cit., pp. 262-64; Mohammad Hatta, Memoir, pp. 527-28.

\textsuperscript{39}The tobacco factories in Jonggrangan, Gayamprit, Kebonarum, Gantiwarno, Pandan Simping, Tanjung, Gawok, and sugar factories in Pedan, Jatinom, Manisrenggo, Karanganom, Cokrotulung and Ceper were burned down. A shoe factory in Gayamprit, clay burning facilities and textile factories in several places, the Beteng compound, and the oil and petrol tanks in Klaten were also destroyed. “Rapport 21 December 1948. Geheim”; “Algemene beschouwing over aanplannemogelijkheden,” AKCM, ARADH, Box No. 120: “Perjuangan Rakyat Kabupaten Klaten,” op.cit., p. 153.

\textsuperscript{40}Forty men were dispatched to guard the sugar factory in Rendeng and the tobacco estate in Bangak, while fifty guards were sent to the sugar factories in Delanggu, Mojo and Gondangwinangan. “Mededeling No. 4 aan beheerders. Geheim.” Semarang, 5 January 1949. AKCM, ARADH, Box No. 122.
The objective of the scorched-earth policy was to prevent the Dutch from making use of important buildings such as offices and factories. However, for those peasants, whose income before the war had depended largely upon the cash crop enterprises and the substantial number of jobs offered there, this policy was certainly regrettable. Landless laborers in particular had been recruited for the various stages of plantation production and factory processing of cash crops. They had been employed at the lowest level of the company's organisational structure as permanent or casual laborers, and as *mandoer* as described in Chapter 4. Consequently, the destruction of the smoke houses, fermentation sheds, and sugar factories in Klaten on 20 December 1948 meant the elimination of an important source of income for thousands of families in this regency. Thus the return of the Dutch after the Second Military Action was not entirely unwelcome. Their efforts to resume their enterprises in Surakarta were assisted by the cooperation of former local employees of the Dutch plantation company and ordinary villagers in rural areas.

In an attempt to re-open their enterprises in Klaten, the Dutch skillfully took advantage of the economic problems which they knew were prevalent among the peasant families in this region. To obtain the peasants' support, they implemented a system of wages in kind, a scheme which was basically a continuation of the *paddy kongsen* system used by the Dutch planters before the war. In the uncertain political and economic situation which prevailed at this time it was easy for Dutch planters to make contact with the peasants. This was done through informants, who gradually spread the message.

---

41 While the destruction of the Dutch-owned enterprises was happening during the third week of December 1948, officials of the NV-KCM with a Dutch army escort made an inspection trip. On 23 December, on their way from Klaten to Prambanan they were stopped by the former *mandoer* of Kebonarum tobacco estate who reported that the fermentation shed in Gayamprit had been burned down three days before but that the buildings on Kebonarum estate were still undamaged. "Letter to Heer Lindner" Semarang, 23 December 1948. AKCM, ARADH. Box No. 122.

42 This included employees such as Sarsito, formerly of NV. Mirandolle, Voute and Company (MVC) who had conducted experiments with jute in Klaten during the Japanese occupation; Daryanto, a former employee of the agricultural research station in Buitenzorg and the Tobacco Research Station in Klaten; and Subandi, also a former staff member of the Tobacco Research Station in Klaten. "Letter from the Agricultural Agency to the Department of Agriculture," Semarang, 11 February 1949. AKCM, ARADH Box No. 122.

43 At the beginning of the contract, the Dutch distributed three meters of cloth to each member of the estate laborers' families. In addition, wages were paid both in cash and in kind, namely rice. "Letter from Agricultural division of MVC : Aanvullende richtlijnen Beheerders No. 2. Geheim" Semarang 1 January 1949. AKCM, ARADH. Box No. 122.
to the peasants of the former tobacco villages that the Dutch companies were returning to re-open the tobacco plantations in the area and that conditions of employment would be different from those which had applied before the war. From now on, the peasants would no longer be compelled to give up their land to tobacco companies. However, this objective could only be achieved when peace and order was ensured.44

The only problem was that during the last weeks of December 1948, the Republican army continued to harass any movement made by the Dutch in the Principalities.45 One month later, the Dutch were able to gain the political support of the Sunan and Prince Mangkunagoro.46 The Kasunanan and the Mangkunegaran were recognized as Special Regions (swapraja) of the State of Central Java established by the Dutch.47 By this time, the peasants of several former sugar and tobacco estates such as Mojo, Bangak and Delanggu had been contacted by the Dutch companies. However, although the city of Solo was reported calm, a military alert was still necessary,48 and in this uncertain situation, it was understandable that the efforts of the Dutch planters to re-open their agricultural enterprises were unsuccessful. The destruction of major tobacco estate buildings, smoke houses and fermentation sheds made it impossible for NV-KCM to resume tobacco growing in 1949. Consequently, cash crop agriculture was mainly restricted to jute, a crop which had been retained by the Japanese and with a factory still in operation. In January 1949, the area planted with jute totalled 2,068 hectares. This was mainly on former sugar and tobacco lands in Juwiring, Polanharjo, and Wonosari sub-districts, and also on the former tobacco estates operated by NV-KCM in Sorogedug, Wanujoyo, and the former

44 Ibid.
45 "Letter to Heer Lindner" op.cit.; "Letter to the Director NV. KCM, Semarang." Bangak, 26 December 1948 AKCM, ARADH. Box No. 122.
46 Ir. Sarsito, a graduate of the Wageningen Institute of Agriculture and who had worked at the agricultural research station in Buitenzorg, was from the family of the Mangkunegaran. He appears to have played a key role in the negotiations between the companies, the Sunan and the Mangkunegaran.
47 On 27 December 1949, the Netherlands transferred full sovereignty of the former Netherlands Indies to a federal state known as the Federal Indonesian Republic. This consisted of several states as members including the States of East Indonesia, East Sumatra, and Central Java. Reid, loc.cit., p. 162.
sugar land in Cokrotulung. In that year, 1949, there was no tobacco crop grown at all in Klaten regency.\(^49\)

In connection with the attempt to resume business in Surakarta, a study of the possibilities for cigar tobacco cultivation was conducted in February 1949, by D. Tollenaar, the former Director of the Vorstenlands Tobacco Research Station in Klaten. Tollenaar produced a report which evaluated the cigar tobacco industry during the period prior to 1942 and looked at the post-war possibilities.\(^50\) This report, which was circulated among tobacco companies working in Surakarta, including Crone Company, NV-KCM’s largest competitor, noted that apart from the destruction of irrigation facilities, some 1250 smoke houses and other buildings, there was also an abnormally high level of overheads and costs.\(^51\)

As far as the possibility of resuming their operations in 1949 was concerned, tobacco planters in the Netherlands were no longer as strongly committed to this plan. They were aware that the socio-economic and political environment did not permit them to do so.\(^52\) The communist upheaval in Madiun gave many Dutch planters the impression that the Indonesian Republic was under strong communist influence. Furthermore, other factors such as the high price of food stuffs, the scarcity of skilled personnel, the high level of production costs and, above all, the absence of any secure legal status over occupied land prevented the tobacco industry from recovering any of its pre-war position during 1949. Those problems will be discussed further in the following section.

\(^{49}\)"Algemeene beschouwing over aanplantmogelijkheden voor aanplant 1949/1950" Delanggu, 15 January 1949. AKCM, ARADH. Box No. 120.

\(^{50}\)"Schema Tollenaar, 15 February 1949." AKCM, ARADH. Box No. 120.

\(^{51}\)In the late 1940s, the production costs per hectare had increased dramatically in comparison with the pre-war period. Overheads for furniture and motor vehicles absorbed fl. 5,000.- per hectare (in comparison with fl. 900.- pre-war) and production costs per hectare had reached fl. 3,000.- per annum, (fl. 1,301.- during the pre-war period). Tollenaar concluded that in 1950, the production costs per hectare were five to six times higher than their pre-war level. \textit{Ibid.}

During the 1950s, the tobacco industry could no longer take for granted economy characterised by cheap labour, low budgets and minimal government expenditure as they had been able to do during the colonial era. The changes that occurred in this decade, such as inflation, government deficits, and a new demand situation in the international market, all had serious implications for the amount of tobacco that was planted, and its productivity and quality. During this decade, the area planted by the Dutch was much lower than the prewar level. This was due to uncertainties surrounding the legal status of occupied land and the economic nationalism of policies implemented by the Indonesian government. Foreign tobacco companies were therefore not inclined to make any substantial capital investment in restoring their production facilities. Consequently, the production level of the single Dutch tobacco company which operated in the 1950s was much lower than during the 1920s.

The nature of the relationship between the peasants and the Dutch tobacco company was entirely different from that which had prevailed before the war. Opposition from the Indonesian Communist Party in the People's Representative Council (Dewan Perwakilan Rakyat or DPR) to the Land-rental Law in the Principalities (Vorstenlands Grondhuur Reglement or VGR) compelled the Indonesian government to find a solution to the legal as well as the practical problems surrounding the return of foreign investment in plantation agriculture. Kasimo, in his capacity as a Director of the State Plantation Enterprise (Perusahaan Perkebunan Negara or PPN) formulated a scheme which, while satisfying the needs of the Dutch enterprises over the renting of land, also adopted a new principle of making the peasants into independent cash crop producers. This scheme permitted peasants to plant tobacco and dry tobacco leaf for the company to process. However, the problems of Dutch plantations companies were further aggravated by the fact that the Dutch also had to face competition from new type of indigenous Indonesian tobacco enterprises and the expansion of Virginia tobacco. Both factors intruded into the plantation area in which Dutch company operated.
Production, area planted, and quality

In the period from 1950 to 1957, the average annual production of cigar tobacco in the Principalities was only about 10 per cent of the annual average during the 1920 to 1930 period. In this period, the production of tobacco by the Dutch company in operation was concentrated at first in Wedi-Birit and then expanded steadily to several other fields (kebun,) such as Kebonarum and Gayamprit. The indigenous Indonesian tobacco enterprises also gradually emerged as important contributors to cigar tobacco exports.53

Table 7-3: Production {In baal} of Surakarta Tobacco Estates from 1950/51 to 1956/57.

<table>
<thead>
<tr>
<th>Year</th>
<th>Wedi-Birit estate (In baal)</th>
<th>%</th>
<th>Other estate (In baal)</th>
<th>%</th>
<th>Average annl. prod. (baal)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920/30</td>
<td>9,700</td>
<td>9</td>
<td>104,300</td>
<td>91</td>
<td>114,000</td>
<td>100</td>
</tr>
<tr>
<td>1950/51</td>
<td>3,781</td>
<td>100</td>
<td>nil</td>
<td>0</td>
<td>3,781</td>
<td>100</td>
</tr>
<tr>
<td>1951/52</td>
<td>4,832</td>
<td>50</td>
<td>4,830</td>
<td>50</td>
<td>9,662</td>
<td>100</td>
</tr>
<tr>
<td>1952/53</td>
<td>3,727</td>
<td>50</td>
<td>3,725</td>
<td>50</td>
<td>7,452</td>
<td>100</td>
</tr>
<tr>
<td>1953/54</td>
<td>6,292</td>
<td>44</td>
<td>7,890</td>
<td>56</td>
<td>14,182</td>
<td>100</td>
</tr>
<tr>
<td>1954/55</td>
<td>7,829</td>
<td>43</td>
<td>10,242</td>
<td>57</td>
<td>18,071</td>
<td>100</td>
</tr>
<tr>
<td>1955/56</td>
<td>5,880</td>
<td>44</td>
<td>7,406</td>
<td>56</td>
<td>13,286</td>
<td>100</td>
</tr>
<tr>
<td>1956/57</td>
<td>4,900</td>
<td>41</td>
<td>6,958</td>
<td>59</td>
<td>11,858</td>
<td>100</td>
</tr>
<tr>
<td>1957/58</td>
<td>nil</td>
<td>0</td>
<td>9,570</td>
<td>100</td>
<td>9,570</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: "Vorstenlanden sigarentabak van der Cultuur Maatschappij Wedi-Birit Oogst 1956/57 - oogst 1957/58"; "Letter from the Manager of Wedi-Birit Estate to Monetary Council, Ministry of Finance, Republic of Indonesia," AKCM, ARADH, Box No. 94.

Throughout the 1950s, the annual average area planted with Vorstenlands tobacco in Surakarta was only about five per cent of the area planted annually from the 1920 to the 1930 season. In the 1950s, the yield per hectare was less than the average yield during the 1920s and the prices in the international market also tended to decrease, as is evident in Table 7-4 below.

53Wedi-Birit estate was the only tobacco-growing area in operation when tobacco cultivation began again in 1950/1951. This estate ceased operations in 1957/58.
The important question to ask is why the plantations operated by NV-KCM did not expand during the 1950s, but instead remained only a fraction of the size they had reached during the hey-day of the industry in the 1920s. The answer to this question is to be found, in part, in the increasing production costs which affected the industry in both the Principalities and in Deli. Despite this problem, in Deli the Dutch returned to significantly higher levels of production. In the Principalities, however, there was also a substantial increase in wages, and losses caused by the theft of cash crops produced by the company. But the most important factor was undoubtedly the insecurity NV-KCM experienced over its access to the land used for growing tobacco.

Indonesian tobacco was no longer in such a strong demand in the international

---

Table 7-4: The Area planted, yield per hectare, and prices per pond of Vorstenlands tobacco, 1950/1951 to 1957/1958.

<table>
<thead>
<tr>
<th>Year</th>
<th>Area-planted (In hectares)</th>
<th>Yield/hectare (In pond)</th>
<th>Prices/pond (In Rupiah)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920/1930</td>
<td>7,000</td>
<td>3,143</td>
<td>0.60</td>
</tr>
<tr>
<td>1950/1951</td>
<td>342</td>
<td>2,576</td>
<td>n.a.</td>
</tr>
<tr>
<td>1951/1952</td>
<td>295</td>
<td>2,534</td>
<td>496</td>
</tr>
<tr>
<td>1952/1953</td>
<td>250</td>
<td>2,426</td>
<td>455</td>
</tr>
<tr>
<td>1953/1954</td>
<td>552</td>
<td>2,919</td>
<td>311</td>
</tr>
<tr>
<td>1954/1955</td>
<td>403</td>
<td>n.a.</td>
<td>388</td>
</tr>
<tr>
<td>1955/1956</td>
<td>n.a.</td>
<td>n.a.</td>
<td>390</td>
</tr>
<tr>
<td>1956/1957</td>
<td>n.a.</td>
<td>n.a.</td>
<td>477</td>
</tr>
</tbody>
</table>


---

From 1950 to 1957 for example, the average annual production of Vorstenlands tobacco was only about 6,000 baals while Deli tobacco was 20,000 baals, three times the level of the Principalities. Bank Indonesia Report for the year 1954-1955, Jakarta: G. Kolff, Co. Indonesia, p. 138; Ibid., 1958-1959, pp. 204-05.
market in the early 1950s. This was a reflection of the lower quality of the tobacco exported from both the Principalities and Deli during those years. Consequently, the Dutch tobacco planters operating in East Sumatra had to work harder, but against great difficulties, to improve the quality of tobacco exported. The results of this policy were significant, and the price of Deli tobacco produced in the 1953/1954 season increased substantially over that of the previous year. However, the achievements of the Deli tobacco planters were not matched by any significant improvement in the quality of Vorstenlands tobacco, and as a consequence the price it was able to command on the international market did not rise during this period. The major reason why the quality of Vorstenlands tobacco did not improve during the 1950s was that in those years all of the crop was grown by the peasants under a group-contracted system, in which the supervision of the Dutch company was minimal.

However, the low grade of tobacco marketed domestically was not only the produce of individual peasant growers but was also the produce of the Dutch company. Because of its low quality, some of the cigar tobacco produced by both NV-KCM and Indonesian enterprises was certainly not able to meet the demands of the international market, and throughout the 1950s, this produce was sold mainly on the local market in Magelang and

---

55 Bank Indonesia...1954-55. Ibid.; “Resume van de verslagen der NV-KCM, CM-Wedi-Birit, en CM-Delanggu over het jaar 1951,” December 1952. AKCM, ARADH, Box No. 120.
56 Bank Indonesia reported that “...since the recent World War Deli tobacco growers have been devoting more and more attention to the delivery of more selective choice seed, soil, and picking. ... Deli tobacco was in serious difficulties during the war and during the first few post-war years, because consumers found substitutes of similar quality in other producer countries.” Bank Indonesia...1953-1954, p. 124.
57 The price obtained in the 1953/1954 season was fl.19.- per pound as against fl. 8.37 for the 1951 crop. Ibid., p. 126.
58 In 1957, the price of Vorstenlands tobacco was only fl. 3.50 per pound. “Letter from the Manager of Wedi-Birit company to the Monetary Council, Ministry of Finance,” no date. AKCM, ARADH, Box No. 122.
59 “Letter from MVC to the Director of Head Office in Semarang.” 27 February 1951. AKCM, ARADH, Box No. 94.
60 In 1955, NV-KCM sold 1,000 kilograms and 4,000 kilograms of low grade tobacco produced in Bangak and Wedi-Birit fields respectively on the domestic market. “Letter from Manager KCM to Head Director Head Office in Semarang.” 15 April 1955, AKCM, ARADH, Box No. 94.
Skilled laborers employed in the fermenting and sorting sheds were essential in order to produce high quality tobacco and the shortage of this type of laborers in the mid 1950s was a serious problem, adversely affecting the quality of tobacco produced by both local entrepreneurs and the Dutch company as well.

While the emergence of a domestic market for tobacco produced in the Principalities provided an outlet for the low grade tobacco, it also stimulated the theft of dried leaf from the smoke-houses. Before the war, the theft of dried tobacco had never been a problem since the Dutch companies strictly controlled their monopoly power over cigar tobacco, which was produced mainly for export. During the 1950s, NV-KCM preferred to market its low grade produce domestically rather than export it for the international market, thereby avoiding transportation costs and auction, and warehouse fees. Because exports had previously been the companies profitable line of activity, the government encouraged them to improve the quality as well the quantity of production. It seems to have achieved some success in this by 1957, although low prices on the international market and high production costs were still reported in 1958.  

The demand for Indonesian cigar tobacco on the international market remained steady, despite competition from foreign-grown cigar tobacco and a new type of artificial leaf-tobacco, including the so-called homogenized tobacco leaf. Vorstenlands tobacco, which was mainly filler grade, remained a minor part of the total amount of Indonesian tobacco exported. Vorstenlands tobacco production remained at much lower levels than before World War II, partly because of the uncertainties over the legal status of land.

---

61 There was a Chinese-owned cigar factory in Magelang and a cigarette factory in Malang, the latter probably the Bentul cigarette company, which by the 1970s had become one of the giant cigarette manufacturers operating in Java. Both factories were reported to be the major manufacturers of low quality cigar tobacco from Klaten. Interview with Partosakirno, op.cit.; “Letter from Manager KCM to Head Director Head Office in Semarang,” 15 April 1955, op.cit.

62 By activating the Smallholders' Agricultural Service which advised tobacco growers on improved methods of cultivation and processing, the proportion of tobacco unsuitable for export in 1957 was only about five per cent against 30 per cent in 1956. Bank Indonesia...1957-1958, p. 182; “Letter...1958,” op.cit.

63 Bank Indonesia...1954-1955, p. 139; Ibid., 1957-1958, p. 182.

64 “Letter from MVC to The Director NV-KCM Semarang,” 27 February 1951, op.cit.; Bank Indonesia...1953-1954, p. 125.
as well as the unpredictable political environment at the national level which was not encouraging towards foreign capital investment in new plant or building.\textsuperscript{65} The Deli tobacco companies, by contrast, were able to maintain a higher quality and a greater level of production because the demand for this product and its price remained stronger on the international market.\textsuperscript{66}

**Land and labour problems**

In responding to the political uncertainties they were facing in the early 1950s, at a time of extremely high production costs, scarcity of skilled personnel and doubts about the future profitability of the industry, the Directors of NV-KCM decided that 'a small scale of tobacco cultivation had to be implemented in the beginning'.\textsuperscript{67} Thus in the 1950/1951 season, NV-KCM resumed growing tobacco in Wedi-Birit on a scale no larger than when the company had started its operation tobacco in the Surakarta region eighty years earlier. The company used the same land in Wedi sub-district that it had cultivated there before the war, and in the following year their plantations were expanded to include fields in Kebonarum and Gayamprit.

Unlike Besuki in East Java, where tobacco companies controlled a large area of land to grow tobacco, the tobacco companies in Surakarta Residency had to rent land from the villages ever since the 1920 Agrarian Reorganisation. After independence, the land situation in the Principalities was in theory basically the same as applied before the war. But in reality, in the early fifties, NV-KCM found that it was facing a very different situation because of legal changes which had been introduced in 1948. According to the Conversion Land Abolition Law (Law number 13, 1948), the conversion rights\textsuperscript{68} which had been granted by the Sunan no longer existed.\textsuperscript{69} This conversion right had enabled the Dutch

\textsuperscript{65}The return of the Dutch companies to Indonesia was acknowledged by the Round Table Conference. H. Feith, *The Decline of Constitutional Democracy in Indonesia*. Ithaca, New York: Cornell University Press, 1962.

\textsuperscript{66}Bank Indonesia...1953-1954, p. 124.

\textsuperscript{67}"Letter to Firma De Crone..." 17 March 1949. *AKCM*, ARADH. Box No. 94.

\textsuperscript{68}This right was granted by the Sunan in 1923 as a consequence of the Agrarian Reorganisation. See Chapter 4 on "The Agrarian Reorganisation in the Principalities."

\textsuperscript{69}As an additional guide to the implementation of this law, the Indonesian government issued Law Number 5, 1950. Soegijanto Padmo, "Landreform dan Gerakan Protes di Daerah Kabupaten Klaten, Jawa Tengah; 1959-1965." Unpublished Sarjana thesis Gadjah Mada University, 1969, pp. 64-65.
companies to obtain fifty year grants over the use of land rented from the peasants and when this was abolished in 1948, this undermined the entire legal basis on which the industry had been conducted.

The Indonesian government at first failed to produce any new law to clarify the situation. Consequently, after the approval given by the Republic to NV-KCM to resume operations in the Principalities, land rental had to be carried out according the 1918 Land-rental Law for the Principalities (Vorstenlandsch Gronhuurreglement or VGR). However, the Indonesian Communist Party members in the People’s Representative Council (Dewan Perwakilan Rakyat or DPR) were critical of this situation. They considered the implementation of VGR to be unjust because they claimed that under this arrangement most of the profits obtained in the industry were drained away to the Netherlands. Consequently, the PKI faction argued in the DPR that before VGR was implemented, a revision was essential to increase the amount of land rental money to be paid by the cash crop companies and to establish an authority to decide this question and the exact terms of the land rental agreement. The DPR decided that the minimum amount of rental money should be decided by the Minister of the Interior with the approval of the Minister of Agriculture, while the land rental contract period would be made for no longer than one year or the period of time taken to raise any particular plantation crop. On 23 July in the following year, this law was revised by the Indonesian government so that both the companies and peasant organisations were involved in the negotiations about the level of rental money to be paid. Consequently, NV-KCM was no longer able to decide land rental almost unilaterally, as it had done before the war, but was compelled instead to negotiate an unsympathetic the Indonesian government and hostile peasant organisations.

70 "Undang-undang Darurat Nr 6 Tahun 1951, tentang mengubah 'Gronhhuur-Ordonantie' {S. 1918 No. 88} dan 'Vorstenlandsch Gronhhuur Reglement' {S 1918 No. 20}" in Lembaran-Negara Republik Indonesia Nr 25, 1951. This law was published on 2 March 1951.

71 "Penetapan Undang-undang Nr 6 tahun 1952, tentang penetapan Undang-undang Nr 6 tahun 1951 untuk mengubah 'Gronhhuur-ordonantie' {Stbl. 1918 Nr 88} dan 'Vorstenlandsch Gronhhuurreglement' {Stbl. 1918 Nr 20} sebagai undang-undang" in Lembaran-Negara Republik Indonesia No 46, 1952.
An attempt to overcome these disagreements was made by I.J. Kasimo, a Catholic Party (Partai Katolik) representative in the DPR and a member of the Board of Directors of the State Plantation Enterprise (Perusahaan Perkebunan Negara or PPN). In 1950, Kasimo drafted a scheme by which the peasants were involved in cash crop production on an entirely new basis. The essential element in this scheme was that the actual cultivation of cash crops, such as tobacco, would be taken over from the companies by the individual peasants, although the processing of the dried tobacco leaf was still to be left to companies. Basically, the production of cash crops was to be gradually transferred from the companies to the peasants. Village cooperatives responsible for organising the production and marketing of cash crops grown by peasants were to be established, although the role of the village headmen was still recognized as an essential part of tobacco cultivation as it had been under the VGR arrangements. The peasants were grouped on the basis of the location of their lands and were paid as they had been in the period of contracted labour during 1920s.

The implementation of the Kasimo scheme in the tobacco industry was strongly opposed by NV-KCM because the company saw that it would create opportunities for the peasants to become moderately independent tobacco growers. Moreover, the scheme did not provide for supervision of the peasants' plantations. Not surprisingly, the peasants were more concerned to produce high quantity rather than trying to achieve high quality. To solve this problem, an adjustment to the Kasimo scheme was made in 1954, with the establishment of the position of an intermediary (tussenpersoon) between the company and the peasants. This change was initiated by NV-KCM and, in the following year, it was also implemented by all the indigenous tobacco enterprises operating in the region. The intermediaries were employed by the companies to organise the production

72 “Letter from MVC to the Director of Head Office in Semarang.” 27 February 1951, op.cit.
73 A cooperative contracted group was established every 15 hectares {approximately 60 kuli kenceng}. Ibid.
74 Interview with Rukmadi Prasetyo, a staff of Tobacco Institute {Lembaga Tembakau}, the new name of Krosok Centraal. 17 January 1985.
75 “Letter from the Manager NV-KCM at Klaten to Head Office Semarang,” 15 April 1955, AKCM, ARADH, Box No. 120.
of the tobacco leaf, including supervision of the peasants who actually performed the work. They were provided with capital to obtain the land and hire the labour required, with each of them covering an area of about fifty to seventy-five hectares. The difference between the Kasimo scheme and the revised arrangement was substantial. The Kasimo scheme made a provision for the group leader as an intermediary between the peasants and the company but in practice this procedure failed to work adequately. The peasants merely produced the tobacco and sold the green leaf directly to NV-KCM. Under the revised arrangement, the intermediary’s tasks were to supervise the peasants in raising the tobacco leaf in the fields and the drying of the green tobacco in the smoke house which was carried out by the peasants’ group. The intermediary was designated by the company, and he did not represent the peasants’ group or the peasants’ interests. The tasks of the company in the tobacco industry were to provide seed, fertilizer, and smoke house and transportation facilities. The value of the seed and fertilizer provided by companies to individual peasants was deducted from the value of the dried tobacco produced by the peasants and paid for by the tobacco companies at the end of the tobacco season. Whereas the Kasimo scheme had intended to involve the peasants directly in a new peasant-company relationship, the revised plan broke this arrangement. Consequently, after 1954, the independent tobacco growers contracted by NV-KCM had to acknowledge the intermediary’s supervision. The role of the intermediary was found by NV-KCM to be an important improvement on the Kasimo scheme and it explains the increasingly better quality of cigar tobacco produced in the 1956/1957 season over that of the previous seasons. This was the pattern of the peasant-company relationships which remained intact until nationalisation and, in fact, for decade after it, until 1969.

---

76 Interview with Darmosuwito, retired intermediary, Gantiwarno, 20 January 1986; Partosakirno, 3 November 1985.
77 “Letter from the Manager Bangak field...” 2 February 1955, op.cit.; Interview with Partosakirno, op.cit.
Although the Indonesian government basically approved the resumption of foreign enterprises, steps were taken to deal with the criticisms raised by the various political parties. A meeting of the DPR on 6 February 1952 attempted to revise the unsatisfactory aspects of the old laws which governed the access of companies to peasant land. PKI members of the DPR were strongly opposed to the government’s plan to return the former estate lands to the Dutch companies. They raised such issues as the growing number of landless peasants, the unequal profit sharing arrangement between the Dutch companies and the Indonesian government, and the improper use of the foreign exchange that the government earned. On the other hand, Gandasoewandito, a Masyumi member of the DPR, supported the government’s position on the return of foreign capital and the implementation of the Kasimo scheme. In explaining the government’s position, Sarimin Reksodihardjo, a staff member of the Agrarian Minister, pointed out that for the time being foreign expertise was still needed by the Indonesian government, although in the future, capital and essential expertise in the agricultural sector would be recruited from national sources. The view of the Indonesian Socialist Party (Partai Sosialis Indonesia, PSI) was not very different from that of the Masjumi, and Sumartojo of the PSI commented on the positive aspects of the VGR system and the problems of the peasants, who were still backward and who would be incapable of making the Kasimo scheme workable. After revisions were drafted, the new laws were approved by the parliament emphasizing that the rental money was to be decided by consultation between the Agrarian Minister,

80 The government’s approval and revision of VGR was stated in the President address on 20 March 1951, No. 858/Pres/51. Detail on this matter was drawn from account in Dewan Perwakilan Rakyat Republik Indonesia, Risalah Perundingan 1952 Rapat ke I s/d ke VI. Jakarta: Percetakan Negara, 1952, pp. 307-354, or otherwise indicated.

81 The aim of the sixth meeting of the parliament was to formulate the Laws to reform the Grondhuwordonantie (Stbl. 1918, No. 88) and VGR (Stbl. no. 20) to Laws No. 21, 1952. Ibid.

82 For example, S. Oetarjo, PKI member of the DPR refused to approve the Kasimo scheme and the government’s approval of foreign companies operating in Indonesia on the grounds that the estate land was needed by the growing number of landless peasants. He also alleged that the major portion of foreign exchange was used by the government in an improper manner, for the purchasing of ammunition, military equipment and motor vehicles. Teuku Mohammad Hasan, also of the PKI, issued a motion noting that the share of the profits obtained by the Indonesian government was too small, and stating that the main task of the Indonesian people was to eradicate landlords and foreign capitalists, and to create a free peasant community. Rsisalah Perundingan. op.cit., p. 312.
peasant organisations and the capitalists.  

In the 1950s, the land problem was the most important issue in all plantation industries in Indonesia. Squatting marked the return of the Dutch companies in Java and Sumatra. In Klaten, squatting was not as significant an issue as it was in East Sumatra and East Java. In the Vorstenlands tobacco growing areas, the agrarian issues of greater significance concerned the distribution of village officials' lands and opposition to rich peasants carried out by the communist peasants' organisation (Barisan Tani Indonesia or BTI). Most of the land needed by tobacco companies for growing tobacco and constructing smoke houses was acquired by renting the peasants' land, and the land needed for the construction of fermentation sheds, offices and residences for the companies' employees totalled only about 150 hectares. Therefore, there was little opportunity for squatting to occur in Klaten Kabupaten. Some of the land formerly used by the Dutch tobacco companies had been occupied by the Indonesian armed forces and government agencies before 1950, and the PKI in Klaten did not raise the companies' land as an issue in the late 1940s and early 1950s. By campaigning for the redistribution of land held by village officials and rich peasants, the leftists in Klaten easily won the support of the landless peasants throughout the regency.

The agrarian issue raised by the communists and their supporters in Klaten reflected the earlier conflict between leftists and Moslems in Klaten, as was demonstrated by the

---

84 Ibid., p. 352.
86 Sujatno, op.cit., p. 186.
87 In Klaten Kabupaten, a dozen tobacco estates each used ten to fifteen hectares of land for this purpose. Interview with Praptosudarmo, 26 January 1986.
88 "Letter from the Manager of NV-KCM in Klaten to the Manager of Head office at Semarang," 14 October 1954. AKCM, ARADH, Box. No. 94.
89 The victory achieved by the PKI in the 1955 election in Klaten was partly due to this political slogan and partly to the antagonism aroused by the Batalion 426, a Moslem military unit stationed in rural areas. Soegijanto Padmo, op.cit., p. 36.
case of the Delanggu strike in 1948 and the opposition to rich peasants in the 1950s. In the context of aliran conflict, the Delanggu strike reflected political contest between the leftists and Muslims.

In the beginning of the 1950s, squatting was not a significant issue in Klaten, and did not become important there until 1963. On the other hand, in other parts of Surakarta, the unilateral occupation of estate lands occurred in a few isolated cases. In the Kedawung Kecamatan, of Karanganyar Kabupaten, 20 per cent of 300 hectares of rubber estate were occupied and cultivated by the peasants and laborers of the rubber factory. The take-over of plantation land, which was also known as tanah konversi and Onderneming Grond, or OG, occurred in both Central and East Java. Why was squatting in Klaten not as significant as it was in East Sumatra and East Java? The answer clearly lay in the fact that in this Kabupaten, there were no large areas of estate land to be occupied such existed in Jengkol of Kediri or Arendsburg in East Sumatra. Furthermore, the relatively small area of unused OG land was mainly already occupied by military units and government agencies.

In the period from 1950 to 1957, land was always available in Klaten to be rented by NV-KCM, according to VGR. But because of political debate at the national level, especially during the Ali Sastroamidjojo cabinet, the position of foreign capital invest-
ment in Indonesia was under question. Insecurity about the legal status of the operation of its enterprise caused NV-KCM to be reluctant to expand the area of its plantations and make other capital investments, such as the rehabilitation of buildings and research and development expenditure.

The land problem faced by NV-KCM was matched by a shortage of Dutch and Javanese skilled manpower. Former NV-KCM personnel who had been interned during the Japanese occupation, were transferred to the Allied Forces by the Republicans in late 1945. Out of 50 personnel employed by NV-KCM before the war, there were only 20 left in Java in the late 1940s, and most of them were already employed by tobacco companies operating in Besuki. The scarcity of Dutch skilled personnel was a blessing in disguise for the privileged few Javanese staff who were recruited by NV-KCM and assigned to various important positions which had been impossible for them to hold during the colonial period, such as vice-managers and bookkeepers. The shortage of Dutch personnel was matched by the scarcity of skilled laborers among the Javanese. Many of them had died during the 1940s, or had not returned after their recruitment as romusha during the Japanese occupation. Labour problem had already been mentioned in Tollenaar’s report in 1949. The report anticipated that the immediate situation of the tobacco industry would be characterised by low performance of the laborers and low production per hectare due to a shortage of Dutch and Javanese skilled laborers.

The economic policy of the Ali cabinet, like the previous administration, supported the case for a transition from a colonial to a genuinely national economy. This meant three things. Firstly, diversification of production (to reduce the dependency upon raw-material exports); secondly, economic development and prosperity; and thirdly, the transfer of control and management of economic enterprises from foreign (western and Chinese) to Indonesian hands. But when it came to the problem of priorities, the first four leaders during 1949 to 1953, decided, in effect, that the third objective was not to be pursued where this would be in conflict with the pursuit of the first two objectives. During the Ali cabinet, national firms, which were given exclusive importing rights to certain categories of goods, called the “Benteng Group” increase substantially. In 1950, there were only 250. A year after the Ali cabinet took office, they totalled more than 5000. Feith, op.cit., pp. 373-75.


“Schema Tollenaar” 15 February 1949. loc.cit.

In Sorogedug, Suparjo, a former employee of tobacco company in Tempel, Yogyakarta was assigned as vice-manager while in Bangak, Praptosudarmo was assigned as junior bookkeeper. “Geheim Rapport 21 December 1948” op.cit.; Interview with Praptosudarmo, op.cit.

“Schema Tollenaar,” op.cit.
New Competitors

In the 1950s, the Vorstenlands tobacco industry experienced one very significant development, the entry of a number of new Indonesian enterprises and the spread of Virginia tobacco in the region. Virginia tobacco was used for the manufacture of cigarettes. The Virginia tobacco leaf required by domestic factories was at first mainly imported. However, the scarcity of foreign exchange and the high demand for cigarettes on the domestic market compelled cigarette manufacturers to urge the Indonesian government to sponsor the Virginia tobacco cultivation in the late 1950s. A small number of local capitalists in Surakarta considered the few remaining skilled peasants in Klaten a sufficient source of labour to begin enterprises in the region. The government promoted Virginia tobacco-growing and the peasants found that it offered higher earning than Vorstenlands tobacco. This situation complicated the land problem faced by NV-KCM because peasants preferred to rent their land to Virginia tobacco-growing Indonesian enterprises than NV-KCM.

In 1954, the Mangkunagoro Fund (Dana Mangkunegaran), which had operated mainly in the sugar industry before the war, began to invest in Vorstenlands tobacco growing. Dana Mangkunegaran was headed by Jaksanagoro, a lawyer and a member of the Mangkunegaran family. Salamun, the Resident of Surakarta and a Masyumi member, was recruited as a member of the Board of Directors of the company, and Partosakirno, an experienced smoke-house contractor who had been previously employed by the Pandan

---

98 Bank Indonesia...1959-1960, op. cit., p. 177.
99 The Mangkunagoro Fund was established in 1917 through the issuance of Pranatan Mangkunegaran No. 28/R, 19 November 1917. This Fund, whose Boards were the Resident, Prince Mangkunagoro as Chairman, and a Supervisory committee, managed the properties of the Prince Mangkunagoro as business operation separate from the Prince’s other personal properties. Pringgodigdo, loc. cit., pp. 159 and 162.
Another company, Kuntodewo, opened a tobacco plantation in the old estate area of Ngupit. Apart from these new enterprises, a Chinese entrepreneur from Temanggung opened a cigar tobacco plantation in Gantiwarno Kecamatan and renovated several smoke-houses still standing on the land he rented. In Ketandan, where the former Ketandan Company's undamaged buildings remained, PT. Rumpun, a company backed by Kodam VII, purchased the properties of Fa. Crone in 1955.  

Thus, throughout the 1950s, indigenous investment in the cigar tobacco industry in Klaten readily expanded and included members of the Javanese aristocracy, Chinese and pribumi Indonesian entrepreneurs, the armed forces as well as NV-KCM. These companies were not only actively planting cigar tobacco but they were also involved in trading in this produce as well. In 1950, a government-backed enterprise, the Indonesian People's Estate Foundation (Yayasan Perkebunan Rakyat Indonesia or Perrin), was organised. This enterprise operated on the basis of government credits for export and for domestic needs. In 1953, Perrin provided credit of five million rupiahs to about 30,000 peasants involved in this Vorstenlands and Virginia tobacco project carried out in Yogyakarta. In 1954, the Sultan of Yogyakarta initiated the establishment of the Indonesian Farmers' Credit Foundation (Yayasan Kredit Tani Indonesia or Yakti), a Vir-

---

100 Partosakirno was born in 1910. His father was a mandoer of the sugar mill at the Candi-Sewu sugar factory, Prambanan sub-district and a smoke house contractor at the tobacco estate in Pandan Simping. Parto had been working in smoke houses as a cleaner (kepedak) since he was in eight years old. From 1925 to 1934, he assisted his father in the construction and maintenance of smoke houses on many tobacco estate including in the Temulus, Trucuk, Bangak, and Pandan Simping. In 1934, Parto and his brother worked as independent contractors and bamboo suppliers for Pandan Simping company. In 1945, he joined a military unit under Major Sunitiyoso in Prambanan. In 1950, he joined NV-KCM and was employed as field overseer (sinder). Four years later, Dana Mangkunegaran recruited him as the manager of its tobacco company. Interview with Partosakirno, op.cit.; “Letter from the Manager of NV-KCM in Klaten to the Head Manager of NV-KCM in Semarang,” 2 April 1955, AKCM, ARADH, Box No. 94.

101 Kodam VII was the Military Command Unit of Central Java. In 1981, it became Kodam IV.

102 Ketandan was one of the major tobacco estates owned by Fa. Crone, the greatest competitor of NV-KCM before World War II. P. De Kat Angelino, Vorstenlandsche Tabaksenquette, 's-Gravenhage: Martinus Nijhoff, 1929, p.4.


104 “Berita Ekonomi Indonesia.” No. 140. 16 March 1953; Ibid., No. 142, 26 May 1953.
ginia and Vorstenlands tobacco enterprise which was managed jointly by local government, peasants, and Perrin, and using land formerly occupied by NV-KCM in Wanujoyo. The seven million rupiah of capital invested by this company was acquired from Bank Indonesia. The area planted, mainly in Yogyakarta, covered 1,000 hectares, of which only 400 hectares were for growing Vorstenlands tobacco. The remainder was used for raising Virginia tobacco.  

These developments show that by the mid-1950s the position of NV-KCM in Surakarta had become much more difficult than in pre-war times. Not only had part of the former Dutch companies been taken over by Indonesian enterprises but the monopoly rights which Dutch enterprises had enjoyed before 1941 no longer applied. Until the end of 1955, however, NV-KCM still did not have any serious problems over land acquisition because of its limited operations. In fact, the company concentrated its operations entirely on the most suitable land in Wedi-Birit, Kebonarum and Gayamprit because these were the most profitable fields, whereas the newly emerging enterprises occupied land mainly beyond the working area of NV-KCM, such as in Ketandan, Gantiwano, and Ngupit. But in the following year, the Indonesian companies expanded their plantations into areas such as Wedi Kecamatan, and consequently, land acquisition was no longer an easy task for NV-KCM.  

To prevent further uncontrolled expansion, NV-KCM suggested the possibility of a fixed share of the working area (rayoneering) among tobacco companies operating in Klaten regency.  

In the mid 1950s, at the same time as this land problem was emerging, a serious problem with labour recruitment also became apparent. NV-KCM had found it difficult to recruit skilled and experienced personnel when it resumed tobacco production in Klaten.  


106 In 1956/1957 season, Dana Mangkunegaran expanded its plantations into some of the NV-KCM land in Wedi Kecamatan, occupying about 70 hectares. Letter from MVC to the Director NV-KCM in the Hague,” 5 November 1956, AKCM, ARADH, Box No. 94.  

107 Ibid.
in 1950, and this was also a problem for the newly established Indonesian enterprises. Apart from the shortage of skilled laborers, there was an increasing demand for labour elsewhere because of the higher wages offered in other industries. This was one of reasons why NV-KCM complained about the increasingly higher costs of production. The Estate Laborers' Association of the Republic of Indonesia (Senkat Buruh Perkebunan Republik Indonesia or Sarbupri), a trade union strongly influenced by the PKI, sponsored strikes at Wedi-Birit and Gayamprit estates over demands for a Rp. 5.- wage increase for daily laborers. The strike involved 310 laborers or about 40 per cent of the Indonesian employees.

In the second half of the 1950s, Indonesian entrepreneurs began to play an increasingly important role in cigar tobacco production in the Principalities. This was reflected in the increasingly higher proportion of the area planted with tobacco by Indonesian companies in Klaten, which reached more than 50 per cent of the total area in 1959. This was no doubt due to the high prices of cigar tobacco on the international market in 1956 and 1957, even though a decline occurred in 1958. The area under production rose steadily throughout the 1950s. The area planted with Vorstenlands tobacco in Klaten from 1951 to 1959 on the major estates is shown in Table 7-5.

The rise of indigenously-owned tobacco plantation companies was not the only significant change to occur in the industry during the 1950s. During this period and in particular after 1955, the involvement of peasants as independent tobacco growers became an important feature of the industry. After the establishment of the Perrin cooperative organization, the skilled peasants tried to take advantage of these new government initiatives by growing cigar tobacco for sale as green leaf to the cooperative which undertook...
<table>
<thead>
<tr>
<th>Year</th>
<th>KCM (Ha)</th>
<th>Dana (Ha)</th>
<th>Perrin (Ha)</th>
<th>PT.Rum-Bangak (Ha)</th>
<th>Total Area (Ha)</th>
<th>Production (In kilogram)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>295.4 n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>295.4</td>
<td>385,120</td>
</tr>
<tr>
<td>1952</td>
<td>250.9 n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>250.9</td>
<td>300,480</td>
</tr>
<tr>
<td>1953</td>
<td>303.8 n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>303.8</td>
<td>503,360</td>
</tr>
<tr>
<td>1954</td>
<td>403.0 n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>403.0</td>
<td>564,000</td>
</tr>
<tr>
<td>1955</td>
<td>316.0 50.0</td>
<td>32.0</td>
<td>75.1 n.a.</td>
<td>473.1</td>
<td>545,634</td>
<td></td>
</tr>
<tr>
<td>1956</td>
<td>245.0 120.0</td>
<td>40.0</td>
<td>56.8 n.a.</td>
<td>461.8</td>
<td>482,685</td>
<td></td>
</tr>
<tr>
<td>1957</td>
<td>341.0 140.0</td>
<td>48.0</td>
<td>105.6 n.a.</td>
<td>634.7</td>
<td>654,057</td>
<td></td>
</tr>
<tr>
<td>1958</td>
<td>306.6 103.0</td>
<td>43.5</td>
<td>70.0 64.5</td>
<td>587.6</td>
<td>811,008</td>
<td></td>
</tr>
<tr>
<td>1959</td>
<td>427.8 120.0</td>
<td>93.8</td>
<td>174.5 50.0</td>
<td>866.0</td>
<td>1,420,223</td>
<td></td>
</tr>
</tbody>
</table>


The drying and processing of the tobacco leaf. Perrin also developed a direct link with the international market sending 200 tons of Vorstenlands tobacco to the Netherlands in 1953 and in the following year 1,500 baals, as well as 5,500 baals of Besuki. To handle the marketing of this tobacco in the Netherlands, Perrin opened a branch office in Amsterdam in 1954.111

The elimination of the former Dutch monopoly rights over cigar tobacco in the Principalities was a major change in the industry. Before 1941, the production as well as the marketing of tobacco leaf was totally controlled by the Dutch companies, but after independence both production and marketing slipped out of Dutch control. The emergence of local buyers offered opportunities to Indonesian entrepreneurs in Surakarta, although the largest proportion of tobacco produced in this region was still exported to Europe. While the emergence of independent peasant-growers in the tobacco industry in

1954 made quality control much more difficult for the Dutch companies. Yet it is worth noting that after the nationalisation of the Dutch plantations in 1957-58, the contribution of these individual peasants to tobacco production very soon resulted in a sharp increase in production in the 1960s and 1970s although the total output was still relatively low compared to pre-1914 levels.

In the second half of the 1950s, the production of Virginia tobacco also increased substantially. This was caused by the increasing demand for Virginia in the local market for the production of cigarettes and kretek. However, an additional factor favouring the expansion of Virginia was that it was a relatively easier crop for the peasants to grow compared with Vorstenlands tobacco, since soil preparation and cultivation of Virginia tobacco need not be very intensive. Moreover, for the peasants, the production of Vorstenlands tobacco for export entailed higher risks than did Virginia. During this period, too, rice price were also increasing, which not only caused laborers to demand higher wages but also made some peasants reluctant to grow tobacco at all. The expansion of Virginia cultivation threatened the Vorstenlands tobacco companies because land was taken out of use for them, as also their labour supply, since the skilled peasants who had traditionally worked on the Vorstenlands tobacco estates were no longer available. Virginia tobacco was mainly grown in the areas most suitable for it, in particular in Wonosari and Juwiring Kecamatan to the east, but also more generally throughout Klaten Kabupaten. The irregular pattern of Virginia cultivation in the major Vorstenlands tobacco areas, such as Wedi-Birit, Gayamprit and Kebonarum, gave rise also to serious problems over the control of pests and diseases.

In summary, during the post independence period, the tobacco industry in

---

112 "Letter from MVC Semarang to the Director of NV-KCM, in the Hague." 11 January 1956. AKCM, ARADH, Box No. 94.

113 In 1953, the production of Virginia tobacco in Java was 5,000 tons. In the 1954 and 1955, the production was 6,000 tons and 9,000 tons respectively. This was still below the cigarette industry's annual requirement for Virginia tobacco which was approximately 12,000 tons. Bank Indonesia Report...1954-1955, p. 139; Ibid., 1956-1957, p. 162.

114 "Letter from the Manager of the Wedi-Birit to the Head office Semarang." 9 February 1953, op.cit.

115 "Letter from the Manager Wedi-Birit to the Monetary Council," 1958, op.cit.
Surakarta underwent major changes. Among the most important were the dismantling of the Dutch companies' monopoly power and the emergence of rival Indonesian enterprises. The NV-KCM was only able to rent a small amount of peasant land in 1950 and between 1951 and 1954, the relationship between the peasants and the Indonesian and Dutch companies was re-arranged quite fundamentally in accordance with the Kasimo scheme, the so-called group-contract system, although this was revised in 1954 when intermediary was inserted into the peasant-companies relationship. This phenomenon was only part and parcel of a much wider set of overall structural changes affecting the entire economy of Klaten Kabupaten.

After independence, the nature of the peasant-company relationship was totally different from that which had existed before 1941. The peasant was now being regarded as a more or less independent farmer which had never happened in the colonial era. But this change also affected the quality of the produce adversely. The Indonesian government, while strongly supporting the tobacco cultivator, was also concerned about improving the quality of the tobacco produced in order to increase the nation's foreign exchange earnings. Improved levels of quality and quantity appear to have been achieved by 1956. And the government was beginning to achieve some success in its efforts to increase the peasants' income and to shift the control of the tobacco industry away from foreign capital into the hands of local people. However, difficulties were arising for the industry because of the expansion of the Virginia tobacco industry and of krosok for domestic consumption. One result of this was the increased risk of pest and diseases. Cigar tobacco now had to compete with all these tobaccos for both land and labour. Land problem, in particular, were to become a very serious matter in the following decades, in a way that the had never been over the previous century- even though the total area planted with tobacco was now far less than it had been in the late colonial era.
CHAPTER 8

The Tobacco Industry Since Nationalization: 1958 to the 1980s

After the nationalisation of the Dutch plantations in 1957-58, the social-political and economic environment for cash crop enterprise in the Surakarta region became far less favorable for the development of the tobacco industry than previously. Yet production of Vorstenlands tobacco during these years has been well over twice as high as it was in the 1950s. The average area of tobacco planted between 1958-80 was only about twenty per cent of the area planted in the years before 1930, although considerably more than in the years 1950-58. After 1960, a new type of peasant-PPN relationship developed, under which the peasants were compelled to give up even more of their land than before. For the peasants, the emergence of more profitable crops such as rice and Virginia tobacco made them reluctant to hand over their land to PPN for growing Vorstenlands tobacco, unless compelled to do so by the authorities. The peasants still tended to identify the tobacco companies with the colonial administration, seeing relatively little difference between the new government-run system (PPN/PNP) and the old colonial pattern of plantation agriculture. In order to obtain land for PPN, the peasants were required to give up a portion of their land in accordance with a regulation issued by the Bupati at the beginning of each season.

---

1 The average annual area planted with Vorstenlands tobacco from 1951 to 1958 was only about 500 hectares while in the 1920s, it had been approximately 6,000 hectares. In the period 1958-1980, it grew steadily to about 1,600 hectares. “Laporan Tahunan Dinas Pertanian Rakyat Daerah Tingkat II Klaten 1960-1961,” Team Tembakau Vorstenlands Departemen Pertanian RI, “Analisa Berbagai Sistem Penggunaan Tanah Untuk Tanaman Tembakau Vorstenlands Antara Petani/Pemilik Tanah Dengan PNP XIX,” 1980, Mimeograph, p. 37.
This matter of land acquisition for plantation crops became a big issue among the political parties in Surakarta region between 1960-65 and underlay a good deal of the rural political conflict that occurred in Surakarta Residency in the period prior to 1965, along with the accelerating inflation of those years. All these things made cigar tobacco cultivation less popular than the more profitable rice crops that could be grown by the peasants. These difficult local conditions were further aggravated by the emergence of new forms of competition in the international market for Vorstenlands tobacco. Because of the development of a new form of homogenous tobacco leaf (HTL) and the emergence in the 1960s of new sources of supply of cigar tobacco in Italy and parts of Africa (pioneered in some cases by former Dutch planters from Indonesia), marketing difficulties were experienced by the Indonesian government-owned plantations companies exporting tobacco to Europe. Because of these changes occurring in the international market, tobacco was no longer as a big foreign exchange earner as it had earlier been, although it was still a significant one.

The Consequences of Nationalisation

The period between the nationalization of the Dutch plantation in 1958 and the present can be sub-divided in several ways. We will see that from the point of view of the peasants, major changes occurred in 1969-70 and again in 1980. From an organisational point of view, the new state-run tobacco company was organized according to one set of arrangements in 1958 (under the name PPN-Baru) but on a quite different basis in 1967 (PNP). Moreover, the year 1965 marked a major turning-point in Indonesia's socio-economic development not only in terms of its political and ideological orientation but also in terms of the whole pattern of the economic development.² Problem of obtaining land have been the major concern of the new state corporation throughout all these periods, as they had been, in fact, ever since the return of NV-KCM in 1950 were, because

of the reluctance of the peasants to give up a part of their lands to the plantation, a matter on which they obtained strong support from the communist peasants organisation, BTI (Barisan Tani Indonesia). Even after the nationalisation of the Dutch plantations in 1958, this problem remained a major one. But with the ban of PKI and its mass organisations in 1967 the government found it much easier to implement its regulations on the compulsory renting of land to PPN for cash crop cultivation in Klaten. This did not mean that there was not continued opposition from the peasants, however, toward the use of their land for planting tobacco. There was little they could do after 1965 to express their opposition actively. The peasants' attitudes toward tobacco cultivation on their land changed a good deal during the first thirty years after independence; hence a closer examination of the various systems attempted in the hope of overcoming this difficulty will be necessary in due course see below.

Organisational Change

The nationalization of Dutch enterprises at the end of 1957, brought about by the West Irian conflict between Indonesia and the Netherland, completely changed their ownership and organisational structure. It created immediate difficulties at the time of 1957 planting season. In 1958, the production of tobacco dropped about thirty per cent from the level in the previous year, but it then increased quite sharply but erratically in the 1960s, see Table 8-1.

In 1960, a new organisational structure began to take shape along the lines laid down by Ordinance 19, 1960, under which the nationalized estates were reorganised into regional groupings under the name Pusat Perkebunan Negara Baru, or PPN Baru, with

---

3In the day-to-day operation of the plantations, the nationalisation considerably affected the working of the tobacco industry, such as in the contracts made between Dutch companies and intermediaries (tussenpersoon) over land rental and in acquiring credit from the bank. Moreover, the uncultivated rented land was used by the peasants to grow food crops in the wet season 1957/58. "First-half Monthly report of Wedi-Birit Estate April 1957." AKCM, ARADH, Box No. 64.

Table 8-1: The Volume {In Baals} and Value {In fl./DM} of Vorstenlands Tobacco Exported, 1958-1979

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>4,830</td>
<td>fl. 3,600</td>
</tr>
<tr>
<td>1953</td>
<td>7,890</td>
<td>3,700</td>
</tr>
<tr>
<td>1955</td>
<td>7,406</td>
<td>4,400</td>
</tr>
<tr>
<td>1957</td>
<td>9,570</td>
<td>.....</td>
</tr>
<tr>
<td>1958</td>
<td>6,400</td>
<td>DM. 5,048</td>
</tr>
<tr>
<td>1959</td>
<td>10,563</td>
<td>4,362</td>
</tr>
<tr>
<td>1960</td>
<td>9,737</td>
<td>5,064</td>
</tr>
<tr>
<td>1961</td>
<td>12,675</td>
<td>8,984</td>
</tr>
<tr>
<td>1962</td>
<td>10,400</td>
<td>7,222</td>
</tr>
<tr>
<td>1963</td>
<td>17,150</td>
<td>12,430</td>
</tr>
<tr>
<td>1964</td>
<td>14,663</td>
<td>10,627</td>
</tr>
<tr>
<td>1965</td>
<td>26,113</td>
<td>17,297</td>
</tr>
<tr>
<td>1966</td>
<td>19,209</td>
<td>n.a.</td>
</tr>
<tr>
<td>1967</td>
<td>27,548</td>
<td>n.a.</td>
</tr>
<tr>
<td>1968</td>
<td>24,642</td>
<td>n.a.</td>
</tr>
<tr>
<td>1969</td>
<td>28,713</td>
<td>n.a.</td>
</tr>
<tr>
<td>1970</td>
<td>16,675</td>
<td>n.a.</td>
</tr>
<tr>
<td>1972</td>
<td>21,510</td>
<td>n.a.</td>
</tr>
<tr>
<td>1973</td>
<td>21,873</td>
<td>n.a.</td>
</tr>
<tr>
<td>1974</td>
<td>22,968</td>
<td>n.a.</td>
</tr>
<tr>
<td>1975</td>
<td>16,618</td>
<td>n.a.</td>
</tr>
<tr>
<td>1976</td>
<td>27,421</td>
<td>n.a.</td>
</tr>
<tr>
<td>1977</td>
<td>29,326</td>
<td>n.a.</td>
</tr>
</tbody>
</table>


its main office in Jakarta. Following the take-over, provincial branch-offices of PPN Baru were organized, whose main task was to assist the head office in supervising and coordinating the PPN Baru's activities on the various estates under its jurisdiction. In respect to the cigar tobacco cultivation in Surakarta, the Peraturan Pemerintah No. 30/1963 mentioned that BPU-PPN tembakau was comprised of 7 PPNs of which PPN Tembakau IV was located in Klaten/Sala. The fields (kebun) of PPN Tembakau IV included Wedi-Birit, Kebonarum, Gayamprit, and Bangak, which now became the core area of that state enterprise. In the 1960s, the Kecamatans of Klaten Kabupaten covered by the cigar tobacco company in Klaten did not differ much from those of the 1950s, although the total production area in the 1960s was much larger than in the 1950s.
After nationalisation, apart from the problems of lack of skills and equipment, there were other problems which adversely affected PPN's long term development, such as the unhealthy internal structure of management of these government-owned enterprises.$^5$

New vested interests were created by the new elites consisting of state officials who controlled the enterprise; and these, in turn, were very much affected by the national social political environment. The general power structure at the national level had not yet settled into equilibrium after the upheavals of revolution and regional rebellion, all of which ultimately affected the country's social and political structure in many ways. The newly appointed managers had been brought into positions of influence alongside Indonesia's politically-inclined elite of civil servants, army officers and mass organisation leaders.$^6$

Economic instability also created social tensions in the cash-crop growing areas. During the period after independence, strikes and rural disturbances occurred far more frequently than before the war. Inflation was commonly used by peasant organisations as an excuse to demand higher wages, and BTI strongly supported any strikes launched by the laborers in Klaten.$^7$

PPN had to face a difficult time in dealing with the peasants, especially during the land preparation period, when the peasants tended to delay the transfer of the land to PPN. This social tension was partly a reflection also of conflict between Nationalist Party (PNI) and Communist Party (PKI). Village council members, PPN staff and government officials were usually PNI members, while peasants and landless laborers were often BTI supporters. This conflict culminated in the "retooling" of

---


$^7$ Ngadino, a communist leader during the independence struggle, was actively engaged in organising strikes in the sorting-sheds in Klaten, such as in Wedi-Birit on 21 April 1955 and in Gayamprit on 26 April 1955. In the 1960s, peasant protests were primarily carried out in the fields and smoke-house and included outbreak of cane burning and the refusal to submit land to PPN. These mass movements, especially during the 1960-1963 campaign, were carried out by the PKI with the objective of achieving mass support. In the first half of the 1960s, such actions occurred in various parts of Klaten such as Wedi, Trucuk, Jogonalan, Prambanan, and Wonosari Kecamatan. R. Mortimer, "The Indonesian Communist Party and Land Reform 1959-1965." Monash Papers on Southeast Asia, No. 1, 1972, pp. 20, 40; "Letter from the Manager of Wedi-Birit estate to the Director of Head-office, Semarang," 26 April 1955; *Ibid.*, 27 April 1955, *AKCM*, ARADH, Box No. 124; Soegijanto Padmo, "Landreform dan Gerakan Protes Petani di Daerah Kabupaten Klaten, Jawa Tengah: 1959-1965." Unpublished Sarjana Thesis, Gadjah Mada University, Yogyakarta, 1975, p. 98.
Pratikto, the PNI-supporting Bupati of Klaten, at the demand of the PKI on 22 September 1964. Apart from the unsettled socio-political environment, the financial side of all plantation enterprises was also highly problematic. The low level of financial discipline, corrupt practices and rising production costs became the prime concerns of the new Indonesian managers at all PPN estates.

Altogether, however, nationalisation of the Dutch enterprises did not have such adverse long-term effects as had been feared in 1957-58. The immediate fall in production and value of tobacco exported in 1958 was reversed almost immediately. But the social and political instability of the early 1960s and the lack of financial discipline resulted in severe long term problems in the development of all these estate-owned enterprises. Inflation and social tensions were other problems which were almost insoluble in the circumstances of 1960-65, although lack of skills and equipment were problems which could be gradually resolved.

Changes in World Demand

Direct trade relations between Indonesia and Holland were entirely cut off as a result of the 1957-58 West Irian dispute and the most dramatic manifestation of this was that the market for cigar tobacco was shifted from Amsterdam to Bremen. Since the buyers of Indonesian tobacco mainly were still mainly Dutch cigar manufacturers, they remained the major purchasers of tobacco marketed in Bremen, where about 60 - 70 percent of amount offered, particularly the Deli variety, was purchased by Dutch buyers. In the early stage of the Bremen auctions, one of the main constraints on successful operations was the sheer lack of experience in marketing Indonesian tobacco on the part of the West German brokers. Up till then, the marketing of Indonesian tobacco had been monopolized by Dutch merchants who were experts with special knowledge of the tobacco market and close links with the producers in Indonesia; but these links were now broken.

---

8 For a good account of these events, see M. Lyon, *Basis of Conflict in Rural Java*. Berkeley: Centre of South and Southeast Asia Studies, University of California, 1970; see also Rex Mortimer, *op. cit.*, pp. 43-44.

Over the next few years, both the price and the quantity of Indonesian tobacco fluctuated a good deal, at a level well below fifty per cent of the 1938 level of export. However, there was no sudden collapse in exports, as had been predicted by the Dutch and the Bank Indonesia reported some years later that:

"...Indonesian showed to the outside world that the take-over of foreign tobacco estates did not cause any set-back to its tobacco trade and production, as predicted by Dutch. The superior quality of Indonesian tobacco was retained, while regular shipments of this commodity to international market could continue."

Vorstenlands tobacco had been well-known to purchasers in the international market for a long time. The good quality on Indonesian tobacco continued to fetch high prices in the auction in Bremen. But because in the 1959 auctions in Bremen, sales of Indonesian estate tobacco were still overshadowed by the threat of legal disputes with the former Dutch owners of the plantations much of the demand in that year shifted to Indonesian smallholders and foreign grown tobacco. The emergence of foreign grown tobacco from Italy and the USA endangered the position of Indonesian tobacco in the international market. The Italian tobacco was cheaper in price, the US "Shade Grown Tobacco" was able to approximate to the Deli variety, and an imitation binder tobacco leaf was used by minor cigar factories in Switzerland. It was observed that the decrease of supply in the early 1960s and the high prices of Deli tobacco resulted in the Italian and synthetic tobaccos gradually creating their own markets in Europe. The filler, which was mainly produced by the PPN company operating in Klaten and in Besuki, faced strong competition from other potential producer such as Brazil, Paraguay, Columbia and Santo Domingo.

At an Indonesian tobacco seminar in 1962 it was argued that the superior types of

---

Indonesian tobacco, such as Deli, Vorstenlands and Besuki varieties were able to command high prices on the world market although, in general, the position of Indonesian tobacco was no longer as strong as before World War II because of increasing competition from new sources of supply. Therefore, to preserve and to enhance the high quality of tobacco produced in Indonesia was the prime task of the tobacco experts, while production levels adapted to the level of international market demand had to be maintained. In this regard, the contribution of research stations was regarded as extremely important.

Despite various difficulties, the Bremen market proved to be quite promising over the first ten years. It seems from the figures available on the quantities sold and prices received for the three main types of Indonesian cigar tobacco that the international demand for Deli wrapper leaf held up better than demand for the other types, whereas the production of Vorstenlands tobacco fluctuated greatly, far more than Besuki. It is noteworthy also that the average level of prices received for Vorstenlands tobacco was considerably below the price of Besuki in the 1960s, whereas it had been generally higher before World War II, which presumably signifies a decline in quality, as well as of quantity produced. Why there should have been such a marked change is hard to identify. It may have been because the shift from a plantation system to a virtual smallholder system in Besuki after 1958 was not accompanied by an immediate and sharp decline in quality, since the peasants there had a price incentive to maintain quality, whereas there was a less strong incentive for the new plantation managers in the Principalities. If that was the case, however, we then have to ask why there was no such dramatic deterioration in the case of Deli plantations?

**The Collective System, Renting Land (Sewa) and ITLV**

During the first three decades after independence, land problems posed constant and unresolved difficulties for the tobacco enterprises in Surakarta. The abolition of the plantations' former "conversion rights" in 1950 meant that in acquiring land, tobacco companies now had to deal directly with the peasants. In 1950, the first postwar year of

---

14 *ibid.*, p. 194.
NV-KCM operations in Surakarta, the peasants mostly refused to rent their land to Dutch-owned company. We have seen that in 1951, the Kasimo scheme (which will also be referred to here as the collective system) was brought into effect. But the peasants were still reluctant to make their land available to the company, which therefore pressed the government to modify the scheme. So in 1954, changes were made which resulted in the introduction of an intermediary (tussenpersoon) into the system as a kind of agent who dealt with the villagers on behalf of the company to induce them - or their village heads - to plant tobacco. This modified collective system was retained until 1969, when it broke down because the government-owned company found itself unable to maintain the price formula determining the level of recompense due to be paid to the peasants. Hence in the 1970-71 season, a new rental (sewa) system was introduced, roughly similar in effect to that which applied to sugar lands; i.e. the company rented the peasants’ land and assumed the full responsibility for cultivating the crop, as well as processing it, so that the peasants no longer played any direct part in the process. But this also led to problems of a different sort, for the peasants were often reluctant to transfer their land to the company by the agreed date, if they had other crops growing, which tended to disrupt the company’s land preparation and cultivation schedules. (It is worth noting that in the sugar industry, the traditional system of land rental was also proving unsatisfactory for similar reasons, especially because the dramatic increases in rice productivity in the 1970s made it far more profitable for the farmers to plant two or three rice crops per year rather than to rent their lands to the sugar mills; so the introduction of the TRI system in 1975 was intended to remedy that situation by transferring the cultivating sugar cane to the task of farmers themselves; i.e. it was a shift in quite the opposite direction to that which oc-

15 Under the collective system, the tobacco companies (later PPN) provided the peasants with credit, seed and fertilizer with which they undertook the production of tobacco although the companies were still able to maintain an advisory and supervisory role to ensure that quality was maintained. In this collective system, the peasants had to grow and dry the tobacco, while the processing was handled by the companies. The peasants were entitled to 50 per cent of the value of the dried tobacco sold to PPN at a price based on the market price of rice in December each year. Noorsetyodjinah, “Perbandingan Sistem Kollektif dan Sewa Tanah pada Pertanaman Tembakau di Klaten,” Unpublished Sarjana thesis Gadjah Mada University, 1972, p. 65.

16 The price paid to the peasants for their dried leaf was determined by a formula geared to the price of rice, which was rising in the late 1960s after being kept artificially low for many years; in December 1969, it reached a level at which PPN found itself unable to maintain that formula. Ibid.
curred in the Vostenlands tobacco industry.) Yet between 1970 and 1980, the problems encountered with the new sewa system reached a point where still another major change had to be introduced, along rather similar lines to the TRI system in sugar, with the re-introduction of a peasant-based system of cultivation essentially similar to the collective system of 1954-69, under a new title, *Intensifikasi Tembakau Vorstenlanden* (ITVL). In other words, the wheel turned full circle in an organisational sense several times, from the colonial company-based system to a peasant-based system, then back to the former and then again back to a peasant-based system.

After the company was taken over by the government in 1957, the peasants' attitudes towards the state-owned tobacco company were basically the same as they had been towards the Dutch companies. In 1960, the government had issued in 1960 a special law and regulations with regard to the land rental arrangement for cash-crops in order to ensure the continued availability of land the production of a crop which generated badly-needed foreign exchange. At the beginning of each year, the Agrarian Minister issued regulations determining the land rental to be paid for particular cash crops in the coming season. On the basis of this regulation, the Bupati in Klaten would issue orders regarding the areas to be submitted to PPN in specified villages of this Kabupaten for the cultivation of plantation crops in that season. Theoretically, PPN had the legal right to obtain whatever land it needed, but in practice, the peasants always found ways to express their reluctance to cooperate with what they felt to be an unjust system.

Between 1958 and 1969, the collective system of tobacco cultivation followed the basic principle laid down in the Kasimo scheme, that the tobacco should actually be grown by the peasants as independent smallholders, although with some degree of supervision and assistance from the appropriate government agencies. They were grouped in such a way as to constitute blocks of land of at least 15 hectares and made entirely responsible for producing the tobacco leaf and for drying and transporting it to sorting sheds. The tobacco companies simply provided credit, seeds and fertilizer to the peasants.
and the smokehouses for processing the leaf. The peasant received 50 per cent of the value of the product at a price per kilogram calculated on the basis of 250 per cent of the price of rice in mid-December. This arrangement created problems, however, because of the wide seasonal fluctuations in rice prices at that time, which could mean losses for the peasants when prices were low, or for the company when they were very high, as in 1968/1969. But the most serious shortcoming of this system was that the peasants became more concerned with quantity than quality. PPN tried to encourage them to give more attention to improving the quality of their leaf, but without much success. Hence, pressure arose in the late 1960s to change back to an estate-dominated system.

With the introduction of the *sewa* (rental) system in 1970, the entire process of tobacco production was transferred into the hands of PPN. This meant the abandonment after 20 years of trial of Kasimo's dream that the peasants could become independent and skilled tobacco growers. The failure of his scheme was not due to any shortage of skills or willingness to plant tobacco on the part of the peasant so much as to the inadequate cash income they could earn in the conditions prevailing in the 1960s.

But because of the fact that the peasants were not willing to rent their lands voluntarily to PPN under the *sewa* system at the rate of renumeration offered, the government had to rely on a legal sanction to compel them to do so. But, even when the land was made available to PPN other problems arose, particularly over the determination of the amount of rental to be paid. According to the government, this should be calculated on the basis of a formula used to set the rental paid for land under sugar cane, whereas the peasants argued that the formula should be based on the value of the rice crops that could be obtained from the land during the same period. To resolve the disagreements which arose on this matter, the government tried to involve various peasant organisations in a Consultative Body (*Badan Pertimbangan*) at Kabupaten level, which would formulated the appropriate rental. The peasants' organisations urged the government to offer a more generous rental payment, but the Bupati always overrode their suggestions and decreed

---

the sum to be paid on an essentially unilateral basis, usually to the benefit of PPN. The reaction of the peasants was to cause delays in transferring their land to the company.\(^{19}\) Such delays gradually became more widespread, until they represented a chronic problem in the 1970s, creating serious difficulties for the PPN in carrying out land preparation and adversely affecting the quality of the product.

Because these delays in the transfer of land were becoming an embarrassment to the PPN and the government, the Department of Agriculture commissioned a survey by Djaminasri Adenan and his colleagues in 1980 into the causes of these problems. This survey was conducted not long after the introduction of the TRI system in the sugar industry and was much influenced by it.\(^{20}\) It advocated a return to the collective system, now to be known as the Vorstenlands Tobacco Intensification Programme (ITVL), but with greater financial incentives to the peasants to participate in tobacco cultivation and a more effective mechanism for providing extension advice and intensification of cultivation techniques through PNP.\(^{21}\) An important feature of this new system to be the role of the peasant group, PKL (*Pengawas Kerja Lapangan*), which was to be assigned to every smoke-house in the region, something similar in certain respects to the peasants group (*kelompok tani*) in the TRI sugar system. These new arrangements appear to have operated more successfully during the 1980s than either of the previous systems, since both the quantity and quality of Vorstenlands tobacco has been increasing during the 1980s, although still at a level well below the pre-war peak.

\(^{19}\) It was planned to have all the land required available by May and prepared immediately. In reality, by June only 30 per cent of the land had been made available to PPN, and in August when the transplanting of the tobacco seedlings had been completed about 30 per cent of land still remained uncultivated. "Laporan Tahunan PNP XIX Tahun 1970," p. 46.

\(^{20}\) Team Tembakau Vorstenlands Departemen Pertanian RI, *loc.cit.*

\(^{21}\) In 1982-83, when the ITVL system was introduced in Klaten, the peasants were paid at a rate of Rp. 600.- per kilo. This represented an average net income of about Rp. 394,000.- per hectare, which was more than double the income previously obtained under the *sewa* system. Direksi PNP XIX, "Upaya Untuk Peningkatan Produktivitas Tembakau Vorstenlands Secara Optimal Hubungannya Dengan Pendapatan Petani yang Ikut Progran ITVL Tahun Tanam 1985/1986," Mimeograph, p. 3; Hubungan Masyarakat Kabupaten Dati II Klaten, "Kabupaten Daerah Tingkat II Klaten Selama Pelita III (1979/1980 sampai 1983/1984)," Pamphlet, p. 35; "Laporan Tahunan PNP XIX Tahun 1978," p. 67.
Land Availability

The land on which tobacco was grown in the Principalities after World War II was basically much the same as that used in the late colonial era, although only about one-fifth as much; and the peasants producing tobacco in those areas have belonged to the essentially the same families as before, usually with long experience with tobacco cultivation. But since independence, the plantations have faced much greater difficulties in obtaining access to the land, whereas in the colonial period they were usually in a much stronger position than the peasants. The peasants have generally preferred to use their land for cultivation of food crops, particularly rice. Since the late 1950s, rice has generally given a much higher cash income per hectare than either tobacco or sugar, so the peasants have naturally preferred to cultivate it. As result, the government-owned plantation companies have relied increasingly on compulsion since 1958 to obtain access to the land they required.\(^\text{22}\)

With the backing of government regulations behind it, PPN was generally was able to get access to the land it needed, although not always as much as it wanted. The area cultivated in the 1960s was considerably greater than the area cultivated in the years before 1957, although it never got back to the levels achieved in the mid-1920s of between 5,500 and 7,000 hectares. From the only figures available to me, it appears that the area of Vorstenlands tobacco planted in the 1960s rose from about 930 hectares in 1963/64 to about 1,900 hectares in 1969/70, although it seems to have dropped off again after that.\(^\text{23}\)

By the 1960s, tobacco was no longer a particularly important crop in Klaten in comparison with other cash-crops. Both sugar cane and jute had become considerably more important. Tobacco was being grown only in five Kecamatan, whereas sugar cane was being grown in seventeen. Tobacco was, in fact, being grown on only three per cent of


\(^{23}\) Team Tembakau Vorstenlands, \textit{op.cit.}, p. 37.
Another problem confronting the tobacco companies in the 1960s was the competition for land from Virginia tobacco, grown by the peasants themselves. Virginia tobacco has a shorter growing season on fertile land and is more easily tended. Some of the peasants in the villages which previously cultivated Vorstenlands tobacco began to cultivate it even though this was prohibited by government regulations. But in some cases, the peasants did not hesitate to break the law in order to increase their income by growing the new crop. Later, too, some farmers started to grow sugar cane on a smallholder basis and this too began to create competition for land in the tobacco growing areas.

The Bupati’s regulations laid down that the amount of the agricultural land to be transferred to PPN in the village should not exceed twenty per cent of the total agricultural land available there; but in practice, PPN tended to break this rule in some of these villages more suitable for tobacco cultivation. For instance, in the 1961/62 season, the proportion of land occupied by PPN ranged from twenty-two per cent to thirty per cent in seven of the twenty-three sub-districts, where tobacco and sugar were successfully grown.

**Klaten and the Tobacco Industry after 1965**

The communist-backed “Gestapu” coup attempted of 30 September 1965 (an acronym for 30 September Movement), although centred in Jakarta, had repercussions throughout most of Java, including Klaten, and triggered off a wave of mass killings in which several hundred thousand people are believed to have lost their lives. In Surakarta and Klaten, the effects were quite substantial, especially among the lower officials, such

---

24 In the 1961/62 season, for example, the area planted with tobacco in Klaten was only 1,043 hectares while sugar cane covered 5,271 hectares (out of a total area of agricultural land of about 36,000 hectares). Soejoto Projosetoewo, “Pergiliran Tanaman Tembakau di Daerah Tingkat II Klaten,” Unpublished Sarjana thesis Gadjah Mada University, 1962, p. 26.

25 The village headman and several other peasants of Kalitengah village, Wedi Kecamatan in 1982/83 season grew Virginia tobacco during the Vorstenlands tobacco season. They were reprimanded by the Bupati and warned not to do so again. Interview with the Village Headman of Kalitengah Village, Wedi Kecamatan, 18 January 1986.
as elementary school teachers and civil servants, of whom many were killed. About 40,000 people were estimated to have lost their lives at that time in Surakarta Karesidenan. The impact of this great social upheaval on the tobacco industry itself was relatively minor (although it occurred at the peak of the 1965 growing season), but because of the class affiliations of various groups involved in the conflict and the intensity of the social antagonism aroused in Klaten, it is necessary to say something about the background to those events.

The Indonesian Communist Party (PKI) had attracted strong support in Klaten and other parts of Surakarta Residency in the years before 1965, especially among the poorer peasants and landless villagers. They had generally been able to rely on the backing of the PKI-affiliated farmers' organisation (BTI), Barisan Tani Indonesia and the trades union organisation (SARBUPRI), which had achieved considerable strength among plantation and factory laborers, in any disputes between poor and rich peasants over land issues or between the peasants and plantation companies.

The middle and richer peasants, on the other hand, were usually PNI supporters or in some cases (e.g. in Karanganom Kecamatan associated with the former Muslim party Masyumi). Tensions between these latter groups and the PKI-oriented elements in rural society had become intense during the course of the year or two before the September 1965 coup attempt because of conflicts over the implementation of the various provisions of the 1960 land-reform law. Klaten was one of the places where “unilateral actions” (aksi sefihak) taken by pro-communist elements had been pushed most vigorously, usually directed against middle peasants associated with PNI or Masyumi, and had in consequence aroused intense social hostility in some villages. So it was hardly surprising that it was also the scene of fierce conflict after the failure of the coup attempt.

Most of the unilateral actions arose over disputes about the appropriate division of the rice crop between the landowners and the share-cropping peasants under the 1960 Share Cropping Law. One which occurred in Klaten during 1964 was concerned, however,
with the question of squatting on plantation land belonging to Wedi-Birit estate, now owned by PPN. Only a handful of squatters were illegally occupying this three hectare plot of vacant estate land (OG: Onderneming Grond) prior to 1962, but when PPN proposed in that year to use the land, the number of squatters suddenly increased, apparently at the instigation of BTI elements. Nearly a hundred occupants took over the estate land. In this mass action BTI was also backed by few armed force elements stationed in Wedi Depot. The army countered by supporting a mass influx of anti-PKI elements from the neighbouring Kecamatan to comfort them in July 1964.\(^{26}\) The situation in Wedi Kecamatan in 1965 was very tense for sometimes, although fortunately, no physical violence occurred between the two groups. BTI was not able to win a victory over PPN or the Klaten Kabupaten Administration in their attempts to claim the estate land, however, on behalf on the landless peasants and after the post-Gestapu attacks on pro-PKI elements, the illegally occupied estate land in Wedi Kecamatan was cleared of the squatters.

Similar episodes also occurred on plantation lands elsewhere in Klaten in 1964, such as Manisrenggo and Prambanan. There was a clash in May 1964, too, when a PNI youth rally at Kalasan was attacked by Communists, at which a PNI participant was killed. The PKI was generally strong in this area at the time and the actions taken in Klaten were hailed by the national leaders as an example to be emulated at a time when the PKI national leadership was flirting with something close to a doctrine of rural class struggle for the first time since 1948.\(^{27}\)

PKI members from Klaten were being drawn into both national-level and even international politics, some being invited to China in 1964, all of which helped to intensify the fears and hostility of their enemies. Hence the situation was potentially explosive at the time when the "Gestapu" coup attempt ignited the spark of overt political and social conflict right across Java.

\(^{26}\)Padmo, *op.cit.*, p. 144.

\(^{27}\)In a mass meeting conducted at Klaten in 22 September 1964, Asmu, a senior BTI leader stressed, that it was the task of BTI to enforce the implementation of the Share Cropping Law in Klaten. Padmo, *op.cit.*, p. 224; Mortimer, *op.cit.*, pp. 20 and 40.
It is not necessary to repeat here the well-known story of what happened on and after 1 October 1965 in Jakarta and Central Java, or to choose between the conflicting and controversial interpretations that have been put forward to account for the significance of those events. Wertheim has depicted the rural conflict arising out of long-term social differentiation, class tensions and the particular antagonism aroused by the unilateral actions. Even if we do not fully accept his interpretation, there seems to be little doubt that there is a significant element of truth in it. In the first weeks of October 1965, the BTI activists in Klaten were encouraged in their radical attitude towards the landowners by the news of the killing of the generals in Jakarta. According to local stories, it was the pro-communist youth groups, which first took the initiative there in attacking, killing and torturing their opponents in Klaten. It was only after the RPKAD units led by Lt.Col. Sarwo Edhie reached Central Java in the middle of October that the situation changed radically to the other extreme. The communists were now pursued by their enemies, who were given arms and weapon training by the military. Unlike the situation in Kediri and elsewhere, where the mass killings of communists during the following weeks were carried out mainly by Islamic youth organisation, ANSOR, or militant Catholics, the pattern in Klaten seems to have been initially for the armed forces units to take the main role in pursuing the communists, with the anti-communist youth organisations in a supporting role. Later, however, towards the end of 1965 and early 1966, as anti-communist elements lost their fear of PKI reprisals, mass killings occurred...

---


29Interview with the village headman of Tlogo village, Prambanan Kecamatan. This information was collected in the 1974 survey on the 30 September Movement in Klaten Kabupaten, Banyuwangi, East Java and Tabanan Kabupaten, Bali, sponsored by the Research Centre for Communism Issues (Dinas Penelitian dan Pengembangan Masalah-masalah Komunisme), established by the Intelligence Coordination Council (BAKIN).
in Klaten. Anyone found to be a communist party member was brought in by the army to be slaughtered. People from the surrounding villages voluntarily dug the graves in the places where the killings were to be carried out without being told to do so by the army.

The immediate effect of all this upheaval upon Klaten Kabupaten had tremendously disruptive short term effects. Because the communist labour organisations (SOBSI or SARBUPRI) had achieved strong support among the lower ranks of government civil servant, plantation workers, teachers, and railway workers, many of them were killed or jailed. In order to recruit new "pegawai negeri" the government even had to conduct special training courses for secondary school graduates as elementary teachers. The PPN tobacco company also suffered from a shortage of skilled labour, which it then had to remedy by carrying out a large-scale training programme. But PPN now benefitted greatly in one important respect. There were no land problems in the 1967/1968 season because the peasants were usually afraid to be branded as BTI if they refused to give up their land for growing tobacco. Yet later, when the peasants were not paid by PPN for money they had earned in the 1969/70 season, they were not reluctant to accuse the manager of the government enterprise concerned of misappropriating the rental money that should have been paid to them.

30 From December 1965 until June 1966, the systematic capture of communist supporters was carried out by non-communists with the backing of the army. Hundreds of suspects were interned in the Kecamatan office. A screening team of officials and member of non-communist organisations was established to identify the suspects. However, local disputes and personal conflicts led to some arrestees being unjustly branded as communists. Interview with Dalyono (a PNI member who had been captured and held by the PKI in Randusari village, Prambanan Kecamatan), and Huri (an ANSOR member trained and armed by the RPKAD, who had actively joined in the mass killing carried out by the army at Woro river), Pandan Simping village, Prambanan Kecamatan, 1974 survey.

31 At the national level, the mass killing was estimated to have claimed between two and three hundred thousands victims. Wertheim assumed that in Kediri the slaughter was on a massive scale. The killing that occurred in that area were carried out by army-trained ANSOR members (a Muslim Youth organisation), while in Klaten-Solo-Boyolali triangle and in the montainous Merapi-Merbabu complex, the centre of communist resistance in Central Java, the butchery was done by the army with assiatance from ANSOR and GPM members (the PNI Youth organisation). According to a reliable source, the communists of Surakarta residency killed during that time was probably around forty thousand people. W.F. Wertheim, “Indonesia before and after Untung Coup,” Pacific Affairs, Vol. XXXIX, No. 1 and 2, Spring-Summer 1966, pp. 115-27; Interview with the commander KODIM Klaten.


33 Interview with Praptosudarmo, a retired Manager of Bangak estate, 17 December 1985.
In 1967-68, as part of a general reorganisation of all state enterprises which had been performing unprofitably during the chaotic final years of Sukarno's Guided Democracy, the entire PPN structure was “simplified” into 28 newly constituted bodies, with a change of name to PNP (Perusahaan Negara Perkebunan).\textsuperscript{34} The Vorstenlands tobacco industry, now consisting basically of the old Wedi-Birit, Gayamprit, Kebonarum and Bangak estates, was included in PNP XIX, along with various cigar tobacco estates in Yogyakarta (Sorogedug and Wanujoyo) and various Virginia tobacco enterprises in Surakarta and East Java. Because of the relatively low level of earnings from Vorstenlands tobacco in the 1960-70s, PNP XIX attempted a program of diversification by buying peasant-grown types of tobacco such as Besuki Vooroogst,\textsuperscript{35} Lumajang, Garut and Kedu. In 1972, it entered into a joint-venture experiments with the Japanese companies Mitsubishi and Japan Tobacco & Salt Company for the production and marketing of Virginia tobacco in various regions such as Surakarta, Madiun, Bojonegoro, Lumajang and Purwoasri. It also made experiments in cigar production in Lampung as well as other crops such as pepper, coffee and coconut, but none of these proved to be profitable and were all abandoned in due course. In other words, although the production of Vorstenlands tobacco remained the major source of revenue for PNP XIX, it was now only one part of a wider set of commercial activities that state enterprise undertook in the period 1967-80s.

In recent years, therefore, the PNP responsible for Vorstenlands tobacco production has been operating as part of a much broader national structure that has been neither as autonomous as the former NV-KCM or CM-Wedi-Birit nor as efficient. The main reason

\textsuperscript{34} The details of this section are based largely upon the account in “Sejarah dan Latar Belakang Pembentukan Perusahaan Perkebunan Milik Negara.” PNP XIX, Pamphlet; and an Interview with Ir. Rukmadi Prasetyo, Lembaga Tembakau Cabang Jawa Tengah, 18 January 1986, or otherwise indicated.

\textsuperscript{35} Vooroogst tobacco literally “pre-harvest” refers to lower-quality Besuki type grown early in the year (in contrast to the main cigar variety, Besuki Na-oogst, or “post-harvest” tobacco grown between August and November), generally classified as bladtabak. On the Besuki tobacco industry generally, see J.A.C. Mackie, “The Changing Political Economy of an Export Crop: The case of Jember’s Tobacco Industry,” BIES, Vol. XXI, No. 1, April 1985, pp. 112-39.
for its inefficiency is commonly said to be mismanagement and corruption, but if we enquire into the reasons for that state of affairs, it seems that there is no institutional incentive within the company towards greater efficiency and productivity nor any penalty against the opposite. The industry is no longer very profitable and earns a very small amount of foreign exchange, although that was its primary raison d'être in the early years after nationalisation, when Indonesia was desperately short of foreign exchange. In 1972, its foreign exchange earnings amounted to only 1.5 per cent of Indonesia's total export value and after the 1975 oil boom the proportion declined much further to an utterly negligible amount. Even as a proportion of the country's total tobacco exports, the value of the Vorstenlands product had declined to only nine per cent by 1975. The PNP was reportedly making profits at a rather low level in the 1970s, but is generally regarded as relatively inefficient and unbusinesslike, with high overhead costs due to the expenses required for housing, cars and salaries of its officials. Essentially, it seems to be operating primarily for the sake of maintaining the jobs and comfortable life-style of its officials, not for any strong reasons of economic benefit to either the nation or the local community. The necessity to use compulsion in order to induce the peasants to plant tobacco reveals that this was not their preferred form of cultivation, as we shall see in the next section. The management of PNP is commonly said to be suffering from various deficiencies, such as favouritism in the recruitment of personnel and decision-making to serve the personal interests of the staff, rather than the broader interests of the entire corporation. All these factors lead to the conclusion that PNP XIX is now more concerned with taking care of the interests of its own officials than with advancing the Vorstenlands tobacco industry as a major source of foreign exchange for the nation, or as a significant contributor to local development by way of increased employment and incomes, investment or technological advance, such as the industry had provided before 1930.

36 In comparison, the value of tobacco exports in 1939 was fl. 26.9 million or four per cent of the total export value of the Indies, while in 1972 they were about $US 30 million out of export values totalling $US 1,800 million. Department of Economic Affairs, Statistical Pocketbook of Indonesia 1941, p. 78; Ibid., 1977/78, p. 291.

37 Between 1974/75 and 1978/79, it reportedly made an average profit of US$ 0.7 million, except in 1976/77 when a loss of US$ 0.5 million occurred. "Laporan Tahunan PNP XIX Tahun 1978," p. 56. But financial data of this kind is not easily obtainable and the public accountability of the PNP is poor, thus providing strong grounds for suspicion about its true profit levels.
The Peasants and PPN

In the first twenty years or so after nationalisation, the peasants in the tobacco growing areas in Klaten continued to suffer in various ways from the government's maintenance of the plantation economy. As we have seen above, they were subject to pressure from the tobacco company, backed by the local government officials, over the issue of compulsory use of land by the plantation companies, both in tobacco and sugar. Despite the fact that other crops provided better income-earning opportunities to them, the peasants in the tobacco-growing area found their positions in relation to the companies and the government severely disadvantegous. This created opportunities for political parties, especially the PKI, to win popular support among the peasantry by backing them in their disputes with the tobacco companies; but after 1965, that source of support was eliminated. Thereafter, the peasants were allowed their few chances to express their opinions about the system.

Under the collective system, operating until 1969, at least the peasants had the opportunity to earn some extra income through the employment opportunities available to the family members. But under the sewa system, which operated after 1970, the peasants and their family members no longer had assurance to access to those employment opportunities.

Since the introduction of the ITVL scheme in 1981/82, however, the system appears to have reverted to something like the collective system. In general, however, the tobacco industry no longer plays anything like such an important part in creating employment for the peasants and their families as it had done in the 1920s. In fact, by the 1970s, other employment opportunities outside tobacco cultivation were becoming quite considerable, especially in the expanding construction project, or work in cottage industries or as farm laborers. In fact, working for the PNP was now less preferrable to working some-where else, for two reasons: the wages paid by PNP were frequently lower than those available else-where and the work discipline was much tighter in terms of both work-load and hours demanded. For these reasons we find that in the 1970s, PNP was
recruiting laborers from other regions in the north of Klaten Regency or in the Gunung Kidul. This had disadvantages to the tobacco companies, however, which had to bear the cost of transportation, for rent and because these workers were unskilled, which affected the quality of the tobacco they produced.

A second aspect of the new relationship which emerged between the peasants and PNP relates to the backing provided by the government to the company in its negotiations over land with the village headmen. This system of contracts between plantation companies and the villagers was not essentially different from the old colonial system of contracts, in so far as the government officials from the region down to the village headmen were being used to secure the interests of the plantation companies rather than to the interests of the peasants under their control. The political parties had made some efforts to uphold the interests of the peasants prior to 1965, but after that they really had no spokesman at all.

There is some evidence that the imbalance in the relationship between peasants and PNP was giving rise to serious discontent in this period, although the main manifestation of this was the reluctance of the peasants to make their lands available to the company. One case of violence was recorded, however, in 1974 when nine smoke-houses were burned (although there have apparently also been similar episodes in previous years, but not on such a large scale). But this appears to have been a rather isolated case, unless there were many other instances which were not being reported. It may be significant that the episode mentioned occurred under the sewa system, at a time when the cultivation of rice was becoming far more profitable than it had been previously because of the use of high-yielding varieties. And it appears that since 1980, the peasants have been far more satisfied with the working of the ITVL scheme.

---

Changes in the Socio-economic and Political Environment.

Rice productivity and rice prices

Since 1970, there was big increase in the production and yields of rice in Klaten Kabupaten, just as in the rest of Java, due to the new seed type and the construction or repair of irrigation facilities throughout Java. In Klaten Kabupaten, irrigation projects were given higher priority in the allocation of the regional development funds in the annual budget. Until 1977, the amount irrigated sawah in this Kabupaten was about the same as that of 1962, but from 1978 onwards, the area expanding and yields per hectare have increase. The yield per hectare in Klaten Kabupaten was much higher than that for Java or Indonesia as a whole, ranging from 40 to 50 quintals per hectare, 31.3 quintals and 27.9 quintals per hectare respectively. Figures on the area of rice planted, production and yield per hectare from 1976 to 1983 are shown in Table 8-2.

Table 8-2: The Area Planted {in Hectares}, Production {in Quintals}, and Yield per Hectare {in Quintals} of Rice in Klaten Kabupaten, 1976-1983

<table>
<thead>
<tr>
<th>Year</th>
<th>Area planted</th>
<th>Production</th>
<th>Yield per hectare</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>53,692</td>
<td>2,197,614</td>
<td>40.93</td>
</tr>
<tr>
<td>1976</td>
<td>48,819</td>
<td>2,886,794</td>
<td>59.13</td>
</tr>
<tr>
<td>1977</td>
<td>59,688</td>
<td>3,665,461</td>
<td>61.41</td>
</tr>
<tr>
<td>1978</td>
<td>63,825</td>
<td>3,043,863</td>
<td>47.69</td>
</tr>
<tr>
<td>1979</td>
<td>60,800</td>
<td>2,764,192</td>
<td>45.46</td>
</tr>
<tr>
<td>1980</td>
<td>63,600</td>
<td>3,450,419</td>
<td>54.22</td>
</tr>
<tr>
<td>1981</td>
<td>63,780</td>
<td>3,562,351</td>
<td>55.85</td>
</tr>
<tr>
<td>1982</td>
<td>55,100</td>
<td>3,165,698</td>
<td>57.45</td>
</tr>
<tr>
<td>1983</td>
<td>56,700</td>
<td>3,351,452</td>
<td>59.09</td>
</tr>
</tbody>
</table>


Over a period of 20 years, there was an increase of production and yields per hectare.
of 50 per cent, while the area planted has slightly increased. The average yield per hectare in certain kecamatan was much higher than the kabupaten average; for example, Juwiring reported 66.19 quintals per hectare in 1983, followed by Delanggu at 66.01 quintals, and Wonosari with 61.75 quintals per hectare. These figures are very high by all-Java standard, and even the lowest yield per hectare in Klaten was still higher than the all-Java average.\textsuperscript{39} It is understandable, therefore, that PNP was hardly able to acquire the land it needed in those areas any longer since the tobacco production would have entailed big losses of income for the peasants there.

The technically-irrigated land in Klaten Kabupaten in fact comprises only 16,000 hectares, or 47 per cent of all agricultural land. Regardless of the fertility of the land, the peasants are always trying to maximize their incomes through growing the most profitable crops on that land. In the more fertile kecamatan, such as Delanggu, Wonosari, and Juwiring, it was common practice that rice was the only crop grown, while in the less fertile ones, polowijo as well as cash crops like sugar-cane were often found to be more profitable than the traditional dry-season crops, such as dry-rice (padi gogo). Because of its increasing profitability, rice production is no longer just a means of subsistence in Klaten, but is grown much more as a commercial crop. Consequently this Kabupaten has been able to function continuously as a rice surplus area. The production, estimated consumption and surplus figures of rice are shown in Table 8-3.

Not only has the commercialization of agriculture affected rice production in Klaten. The cultivation of sugar by peasants on a smallholder basis also represents a step in that direction. Sugar-cane cultivation has been carried out by smallholders and peasants in Klaten since the 1960s. In some kecamatan, the expansion of the area under sugar by non-PNP enterprises has at times exceeded the area cash crops planted by PPN, even in 1961/62. This has also been the case, for example, in tobacco-growing kecamatan such as Prambanan, Ketandan, Kebonarum and Trucuk. Thus, from the 1960s onwards.

\textsuperscript{39}The lowest yield per hectare was achieved by the most infertile kecamatan in this kabupaten namely Kemalang Kecamatan with 46.86 quintals per hectare. “Kabupaten Klaten Dalam Angka Tahun 1979,” \textit{Ibid.}
Table 8-3: Production, Consumption, and Surplus of Rice (In Tons) in Klaten Regency, 1979-1983

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Consumption</th>
<th>Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>176,687</td>
<td>129,024</td>
<td>47,663</td>
</tr>
<tr>
<td>1980</td>
<td>156,631</td>
<td>129,581</td>
<td>27,050</td>
</tr>
<tr>
<td>1981</td>
<td>227,426</td>
<td>131,977</td>
<td>95,449</td>
</tr>
<tr>
<td>1982</td>
<td>202,297</td>
<td>133,543</td>
<td>68,754</td>
</tr>
<tr>
<td>1983</td>
<td>220,194</td>
<td>134,872</td>
<td>85,322</td>
</tr>
</tbody>
</table>

Source: "Kabupaten Daerah Tingkat II Klaten Selama Pelita III...", loc. cit.

The land in the tobacco areas in Klaten has increasingly been taken up with other crops grown by peasants, compelling the Bupati to implement more strongly the Cash Crop Law No. 38/1960 on behalf of PNP. While the area under sugar-cane has fluctuated a good deal (see Table 8-4), the area planted with cigar tobacco has remained fairly constant, at around 1,300 hectares every year. The net income earned by the peasants from sugar-cane has generally been slightly higher than the income from tobacco over the same period, despite the fact that it needs a longer growing time. The expansion of the area planted with sugar-cane in Klaten under the TRI programme from 1979 to 1983 is shown in Table 8-4.

The commercialization of agriculture could only succeed if it was supported by good transportation and communications. During the administration of Bupati Sutiyoso in 1967-1972, the road network through-out the regency was macadamised. This has made a significant contribution to the development of commercialized agriculture and to the

---

40 A Surat Keputusan was issued which contained an order to the Camat, village-headmen, and various government agencies at the kecamatan and village level to support the cash-crop production programme for the coming season. See Padmo, op.cit., p. 99.

41 It was reported the cash income earned by peasants from growing sugar-cane was Rp. 837,389.- per hectare for a fourteen-month period, while from ITVL it was Rp. 394,200.- for seven months. Ibid., p. 27.

Table 8-4: The Area Planted with Sugar-cane under TRI in Klaten Regency, 1979-1983 [in Hectares]

<table>
<thead>
<tr>
<th>Year</th>
<th>Sugar cane</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>3,087</td>
</tr>
<tr>
<td>1979</td>
<td>2,838</td>
</tr>
<tr>
<td>1980</td>
<td>2,985</td>
</tr>
<tr>
<td>1981</td>
<td>4,056</td>
</tr>
<tr>
<td>1982</td>
<td>4,728</td>
</tr>
<tr>
<td>1983</td>
<td>5,133</td>
</tr>
</tbody>
</table>


development of the region as a whole, especially as it was later matched by the emergence of a "transport revolution" brought about by the introduction of large number of Colts and minibuses in the 1970s. At any intersection along the Solo-Yogyakarta highway from Prambanan to Kartosuro, one can now find Colt-minibus terminals, often with dozens of vehicles queueing up to transport passengers and goods from there to the interior or vice-versa. The "transport revolution" has meant that the peasants have wider opportunities to bring their produce to market or seek an incomes elsewhere like Solo or Klaten town, so that they are no longer bound narrowly to their villages, as they used to be.

43 In that period, macadamised roads were built to improve the existing road networks which criss-cross the regency so that any village in the regency can now be reached by motor car. Interview with Drs. Subardjo, the Head of Social Welfare Bureau, Klaten Kabupaten. 25 January 1986.

44 The "transport revolution," the result of cheap fuel and cheap Colts, occurred in the 1970s.
Political forces.

Since the late colonial period, Klaten Kabupaten has been one of the kabupatens in which political forces emanating from the national sphere have exerted a considerable local influence. The various political movements that have developed in this region show that the peasants have had a high level of political awareness. Sarekat Islam was active there in the early decades of the 20th century. Other political movements occurred there later, such as the mass disturbances against tobacco companies organized by Cipto Mangunkusumo and Haji Misbach around 1918-1920, the pro-Masyumi 426 Battalion Movement in the late 1950s, the PKI mass movements of 1960-1965. Most of those earlier movements were directed partly against abuses associated with the Dutch plantations in the region; Cipto and Misbach, for example, strongly opposed the plantations on the ground that the Dutch companies impoverished the Javanese peasants. Likewise, after 1945, the PKI was able to exploit the the oppressive relationship between laborers and PPN even after the plantations were nationalized, frequently taking the lead in calling strikes in favour of higher wages.

Since 1965, however, the political situation has changed radically. There has been almost no scope for popular or radical forces to organise there, as in the 1945-1965 period, while on the other hand, the position of both regional government authorities and the PNP local management has been enormously strengthened vis-a-vis the peasants. They are closely identified with Golkar and the military. In this respect, PNP management is now in a much stronger position to take firm action against peasant opposition or discontent than its predecessors in the 1950-1965 period had been, either Dutch or Indonesian.

But economic forces are now creating bigger problems for them. In fact, the peasants have become much more reluctant than previously to plant tobacco except under coercion and even landless laborers can now make better wages in harvesting paddy or working as agricultural laborers in the villages. The steady commercialization of agriculture throughout Surakarta Karesidenan has been working against the interests of PNP

\[45\] See “Serikat Islam Delanggu,” Vb. 28 July 1917/28. ANRIJ.
Tembakau, thus making it harder than ever to maintain the tobacco industry there as a small enclave cut off from what was happening in the rest of the region.

To summarise, the Vorstenlands tobacco industry has presented a very different picture since nationalisation from that of its earlier years. During that time, the area planted has become much smaller than in its heyday during the colonial era, with only four estates now operating. In the 1920s, the peasant and the members of his family were the main labour supply for the tobacco companies and the peasant economy was heavily dependent upon the Dutch companies. Fifty years later, that dependency has dramatically declined. A new type of peasant-plantation relationship has developed, combining an element of coercion with the use of incentives to encourage the cultivation of high-quality tobacco. But, most importantly of all, other cash cropping opportunities are now available to the peasant which were not available in the 1930s. As a source of foreign exchange, Vorstenlands tobacco's contribution to the nation's export earnings is no longer a major one but has become almost insignificant. In other words, there is no very strong national reason for continuing to prop it up at all. And it is hard to see any reason, apart from the vested interests of the PNP officials, for keeping the four estates operating at a time of declining world demand for cigar tobacco, or to maintain the continued existence of the industry at the expense of the local peasants. During the past 30 years, Klaten Kabupaten has changed for the better in many respects, but for the tobacco industry those changes have been adverse to its interests. Whereas the tobacco industry had been a major stimulant to the growth of the regional economy in the 1860-1930 period, involving some degree of new investment and income generation, it has hardly been playing that role since 1930 at all. On the contrary, the peasants in the tobacco growing areas have been disadvantaged by the requirement that they grow tobacco at a time when they could be earning higher incomes from rice or other crops.
CHAPTER 9
Conclusion

This story of one of the leading Dutch plantation industries is interesting because of the very great changes that it has experienced between the 1860s and 1980s. During the first few decades after the large-scale cultivation of tobacco as an export crop began in the Principalities, there were big changes in the size and structure of the industry, although not much change in the technology involved until at least the 1920s. From 1860 to the 1880s, tobacco was still only one of the minor crops produced by Dutch plantations in Surakarta; but between the 1880s and 1910, tobacco and sugar became the major cash crops grown in the low-lands of Klaten Kabupaten. Along with these changes, the form of ownership of the plantation was also gradually transformed from small individually-owned plantations to big corporate enterprises and ultimately (after the nationalisation of all Dutch enterprises in 1957-58) to a state enterprise, milik negara.

In their relationships with the peasants, in each of these periods Dutch planters have had a superior bargaining position in negotiations over both land and labour on the rented land. Under the apanage system, the peasants had very weak rights over the land they cultivated, but had to bear heavy burdens in terms of labour obligations either to the patuh and bekel or to plantations, from which flight was the only means of escape open to them, although from 1917 on, they were given stronger rights. Since then, however, the plantations have had 50-year rental rights, which greatly strengthened their position there. The strong influence of the companies over both local rulers and Dutch authorities enabled them to carry out the production of cash crop at very low costs and in turn generated high profits throughout the period 1890-1915 and again in the 1920s, when big dividends were distributed to the share-holders.
The whole political and social environment in Klaten has also changed radically both at the local and national level since World War II and this has led to a significant decline in the industry's overall record output and profitability which have never again achieved the high levels of the production or total value of tobacco, as in the colonial era. In colonial times, the plantations were the most important economic asset of the whole economic system and the major source of its wealth; but this is no longer the case in the post-1965 world of Indonesia, for various reasons, one of them being the availability of various new non-plantation industries employment opportunities. In fact, the overall development of Java that occurred between the 1870s and the 1970s was largely dependent on the growth of the Dutch plantation enterprises until the 1930s Depression, but not since then. Hence, in order to explain the socio-economic significance of the industry, we need to recognize that its basic functions are now radically different from before. Since nationalisation, PTP XIV no longer plays such important role as it used to as a source of government revenue, or in generating employment for the peasants in the localities or in pioneering more advanced technologies; it now simply provides a comfortable livelihood for a handful of PNP officials and skilled personnel in the region and earns a very modest amount of foreign exchange. Tobacco cultivation used to be very profitable between 1900 and 1930 but not been so since then.

Within a period of about 60 years after the 1860s, the Vorstenlands tobacco industry, along with other plantation industries, brought about great changes in Surakarta Karesidenan, mainly in Klaten Kabupaten, and in a small part of Yogyakarta. These were at first rather gradual changes from small plantations established under the apanage system to large corporate enterprises which reached their heyday in 1900-1915 and then in the 1920s But the entire industry was badly hit by the Depression, World War II and Independent Stuggle in the 1940s. After independence, the industry was at first restored on the basis on the old Dutch-owned companies, but then was reorganized as a state enterprise in 1957/58. Yet since World War II, it has no longer exerted such a big influence on Klaten as in the late 19th century. Until 1941, the tobacco industry in the Principalities was the classic manifestation of Dutch capitalism and colonialism. The strong support
given by Dutch authorities in the Principalities to private planters enabled the Dutch capitalists to generate profits through the cultivation of a highly lucrative cash crop - cigar tobacco - and the colonial authorities were eager to maintain it. But after 1945, there was a radical change in the nature of the relationship between the tobacco company and both the government and the local society. The kinds of legal and political support the plantations had received previously from the local rulers and the Dutch government was no longer available after independence. After 1950, the tobacco industry was no longer the monopoly (or oligopoly) of a few Dutch corporate bodies, but it was stated for development as a smallholders cash crop, as it had been in Besuki, although this scheme ultimately failed. A few years later, the entire industry was nationalized and it has been operated since then as a state enterprise; yet it has dwindled to relative insignificance as a source of national revenue, profits or foreign exchange, as well as a means of employment generation for the people in the locality. This has also led to a lower and lower political influence for this state tobacco company at both the local and national levels. Whereas in the colonial era, the Dutch planters had obtained great political influence over the local rulers as well as the Dutch officials, especially between 1870 and 1930, this is no longer the case, partly because of the emergence of more valuable sources of revenue (such as oil, especially in the few years after 1974, and other agricultural produce, such as oil palm), and partly because of the inability of the managers of this state-owned enterprise to run the industry in a businesslike way, to generate big profits or create new employment for the local community. Essentially, therefore, the industry is now operating mainly in the interest of the state corporation itself and the needs of its personnel and other government officials in Surakarta or Jakarta. It is no longer generating growth, but simply the momentum built in earlier decades.

In the early stage of tobacco cultivation in Klaten or in the Principalities, its developmental impact was very great and played a big part (along with the sugar industry) in spearheading the growth of new investment and infrastructure which linked the region with international market creating commercial networks, employment and new money incomes for the people in the localities. On the other hand, the growth of the in-
industry made the regional economy highly dependent on the prosperity of the plantations, which created big problems during the Great Depression and in the 1940s, so the impact proved to be negative as well as positive. Since 1950, however, very little impact of that kind has occurred because there has been relatively little new investment in equipment, technology or infrastructure and very little employment creation in recent years. Yet it should be remembered that along with the development of the tobacco industry in Surakarta, there were also major changes occurring in the economic and social conditions of the peasants in this Karesidenan. During the period 1870-1890s, for example, cash payments generated by tobacco and sugar industry became increasingly available to the peasants in rural areas in Klaten through land rental payments and the creation of new job opportunities. In 1920, a major change in the economic structure of this Karesidenan occurred when the apanage system was abolished and the peasants were given stronger rights over land they cultivated. After 1950, when independence was achieved, and particularly in the 1960s, wider job opportunities in both peasant agriculture and the non-agricultural sector brought about a radically different economic structure in Klaten, one involving a less dominant role for the plantations in the economic life of the peasants in the region. The emergence of high-yielding varieties of rice and the more advanced technology of rice production in the 1970s greatly enhanced the economic welfare of the peasants and made them less dependent on employment on the plantations. But there is not enough evidence available for us to draw any confident conclusions about the extent to which the living standards of the peasants in the tobacco-growing regions rose or fell between the 1870s and 1970s. Either way, the differences cannot have been very great. Certainly the peasants in Surakarta blame the plantations for the poverty that many still suffer today.

We must also ask the question, however, whether the various changes that have occurred in the economy and society of the peasants in this region have been due mainly to the effects of the tobacco or sugar plantations or to various other factors. In fact, several indicators of development over the period 1870-1970 could be identified in this region which are clearly due to other factors also, besides the plantations, such as high rate of population increase, greater availability of education, modernisation in its various aspects affecting the life of the peasantry, better communications and transportation and hence greater access to the world beyond the Principalities; we should also mention such important changes as the decline of the Sunan’s authority, the rise of nationalism and the colonial state, or the political conflicts that occurred there between 1945 and 1970s. Because so many
diverse factors have been involved in the dynamics of change in modern Indonesia, it is risky to claim primary causal significance for any one of them. But the impact of the plantation system (including sugar cultivation, as well as tobacco) was certainly much greater than in most other parts of Java and the degree of dependency on world market prices that it created had adverse long-term consequences, even if it may at times have brought short-term benefits to some villagers.

In short, the effects of the Dutch plantations upon the socio-economic life of the peasants in Surakarta does provide an illustration of the nature and impact of Dutch colonial policy in the Netherlands Indies as a whole over the last hundred years or so. But was it just the impact of colonial rule that shaped the development of the society in Klaten and Surakarta Residency in that time, or was it some quality of those particular plantation crops, tobacco and sugar, which have played a dominant part there, both during the colonial era and since then? Geertz showed in Agricultural Involution what very different impacts different crops have had on Indonesian society in various regions, due to the different modes of socio-economic organisation of the land and labour force required. In his study, Geertz stressed the entirely different effects of the sugar industry in Java and rubber in Sumatra, namely annual crops versus perennial crops, each with very different land and labour requirements. Sugar was grown mainly on irrigated sawah located in the most densely population part of Java, and depended on a harmonious relationship between sugar and rice cultivation practices in meeting its land and labour requirements. Rubber was grown both on a large-scale plantation basis, recruiting labour from other areas, and on a small-scale small-holder basis (Karät rakyat) in conjunction with continued production of food crops, although the latter did not occur

in Java. This Vorstenlands study shows us major differences between the impacts of tobacco and sugar plantations even in this one region where the two crops are closely intermingled. Within just the one sphere of tobacco cultivation, in fact, there were also different sorts of tobacco produced, namely *bladtabak* and *krosok*, and differences between Vorstenlands and Besuki, or even between Vorstenlands and Deli, which in some respects have a lot in common, and the socio-economic organization of each was quite distinctive in each area. So we have to keep in mind that there is not much point in treating the "plantation economy" as if all the plantation areas were the same in terms of organisation of production and consequently the effects on the society or the growth of capitalism and/or commercialisation within various Third World countries. It is true that there have been some common characteristics of plantation economies, especially the very unequal power relationships created between the plantation and its labour force, and the almost universal implementation of cheap labour policy. But the differences are even more illuminating than the similarities.

If we accept the Frank or Sweezy interpretations mentioned in Chapter 1 regarding the impact of the plantation economy upon the local societies as being determined mainly through market linkages with the world capitalist economy created by plantation crops, we would expect to find either that the plantations had a stimulating effect, as suggested by Sweezy, or alternatively a retardative effect, as argued by Frank, at least to some degree (e.g. in the high degree of dependency created for the peasants on the plantations, or for entire regions on the industry and its cash flow), or perhaps a bit of both. It probably is true to say that the development of the sugar and tobacco plantations in the Principalities between about the 1880s and 1920s did have some kind of stimulatory effect on the region as a whole, until the 1920s, insofar as employment and money incomes appear to have increased significantly (particularly in contrast to the more stagnant situation in non-plantation areas such as Kedu or Sragen for example); moreover, the rate of population growth there was relatively high, suggesting some degree of attraction to laborers from other places. On the other hand, there is also evidence in favour of Frank's retardation or dependency argument, since Klaten Kabupaten and Surakarta Karesidenan
generally suffered very severely as a result of the sudden collapse of the plantation economy (and the world market) in the 1930s - even though we have noticed that Klaten suffered much less from the tobacco industry’s contraction than the sugar industry’s. So we cannot say that each of these plantation industries had an equally bad effect, although the degree of dependency on each must have been was roughly the same.

Clearly, therefore, other factors must be taken into account besides mere dependency, in an attempt to analyse the various impacts of different plantation crops, most importantly the structure of the socio-economic relations established within each industry. Almost every part of Indonesia seems to have suffered very severely during the Depression and, in fact, almost every country in the world, so that to point to hardship suffered in the 1930s is not alone sufficient to substantiate the Frank interpretation. A dependency theory explanation would have to show a clear correlation between the extent of a region’s involvement in the world trading network (i.e. a high degree of dependency on external market fluctuations) and the degree of severity of the Depression. That could certainly be said about East Sumatra, but it is less clear that it could said of the main plantation areas of Java, although the Principalities must have been one of the worst hit. (It is probably true that Klaten suffered more severely than the other plantation areas of Java, but it would require a very detailed comparative study to prove it.) But in any case, it is clear that while there may be some validity in some parts of the dependency argument, the theory must be further qualified to take account of other factors also, as mentioned above.

On this matter, Mandle has preferred the Dobb-Laclau account of the dynamics of the evolution of capitalism. He comments that

"While Frank and Sweezy argue that developed market relations, especially in international trade, are the key to both the definition and the evolution of capitalism, Dobb and Laclau argue that the circumstances surrounding the domestic labour force and their conditions of employment are control to both these issues." 2

Mandle regards their emphasis on the “relation of production” within the historical context they are examining as a more fruitful approach to the “dynamics of historical change.” He, like these other writers, was trying to analyze the problems of the transition from feudalism to capitalism (and the special position of the “plantation economy” as a unique stage in this development, or a distinct form of organisation) within a basically Marxist framework.

It has not been my aim in this study to decide which of them is right or wrong, but simply to notice what sort of factors in the historical process are of relevance to our story of the tobacco plantations in the Principalities. It seems from this story that the factors stressed by Dobb and Laclau, the labour relationships and conditions of employment, have played a very important part in shaping the overall development of the tobacco plantation in Klaten Kabupaten. The international market relationship stressed by Frank and Sweezy have obviously had a very great influence also on the development of the industry and the region. But in this regard it is noteworthy that the tobacco industry and the sugar industry created very different types of relationships with the international markets for those products, yet their general impact on Klaten did not differ for that reason so much as because the organisation of land, labour and production in each case made different types of demands upon the local population. For that reason, I find the Dobb-Laclau approach comes closer to the heart of this problem, as it takes into account a wider range of factors, social and political, as well as just the commercial linkages.

The value of this kind of study of a particular plantation crop, or of several crops in a particular area like Klaten, is mainly that it enables us to make revealing comparisons of different types of production system. We have seen that there were some significant differences between the tobacco and sugar plantation in Klaten, as well as differences between the three major plantation tobacco industries in Java and Sumatra, both in various aspects of their organization and in their impact on the village societies affected by them. The reasons for these differences were also quite diverse, partly to do with the technological and organisational conditions that applied in different cases, partly to the government
regulations or laws about the contracts they established with the rulers or the peasants. To understand these matters, we need to try to follow the socio-economic and historical dynamics of change in each case, essentially in its own terms. While there is still a great deal more that we need to know about the course of development of the tobacco industry in the Principalities before we can fully explain all aspects of its development, I hope that the picture I have been able to give here will prove to be a useful step in that direction.
Bibliography

Archives

* Het Algemeen Rijksarchief, the Hague:

- Archives of the Klatensch Cultuurmaatschappij, 1888-1962.
- "Mailreports," 1869-1900.
- Minutes of the Ministry of Colonies "Verbaal" 1850-1900, 1900-1940.

* Arsip Nasional, Jakarta:


* Arsip Nasional, Bogor Depot:


Theses Cited


Unpublished Material


“Indische aantekeningen gedurende mijne 1ste reise (November 1885 - February 1890) over de Vorstenlanden.” KITLV, Leiden, No. H-721.

“Kultuurverslag der Residentie Soerakarta over het jaar van 1871.” ANJ.


“Residentie Soerakarta: Bevolking.” 1832. ANRIJ.

“Statistieke Beschrijvingen Soerakarta - 1832.” ANRIJ.

“Statistiek der Residentie Soerakarta - 1863.”


Official Publications


Departement van Economische Zaken, Centraal Kantoor voor de Statistiek. Statistiek Zakboekje voor Nederlandsch Indie. 1935, 1939, 1940.


Jaarcijvers 1920-1939.

Koloniaal Verslagen 1860-1930.


Regeering Almanak van Nederlands-Indie. 1830-1910.

“Undang-undang Darurat Nr 6 tahun 1951, tentang mengubah “Grondhuur-Ordonantie” (S. 1918 No. 88) dan “Vorstenlandsch Grondhuurreglement” (S. 1918 No. 20) (Penjelasan dalam Tambahan Lembaran Negara Nr 91).” Lembaran Negara Republik Indonesia, Nr 25, 1951.


Books and Articles


“Archieven Betreffende Cultuur Maatschappijen en Werk zaam in Nederland Indie-Indonesia.” ARA, the Hague collection.


"De Nota van den Minister van Kolonien met betrekking tot de suikerindustrie in de Vorstenlanden." 1885. *TvEI*.


"Inlandsche Tabakscultuur op Java en Madura," 1890. *Indische Gids.* Vol. XII.


**Volkstelling 1920; 1930.**


Appendix A

The Contract of Employment Between Tobacco Company
and Peasant

Peasant ..........Overseer area ..........Sinder area..........

We undertake to cultivate the tobacco crop on the estate of ...... in a husbandlike manner until the tasks specified hereunder are fully completed. Payment shall be made in respect of approximately each one-third of a bouw cultivated in the following manner:

for light soil fl. 35.-
for medium soil fl. 39.-
for heavy soil fl. 43.-

The precise specifications of the tasks are as follows:

1. To clear the straw on the paddy field.
2. To repair the dyke and canals and hoe the soil between the irrigation canals.
3. To mark out the smaller channels.
4. To dig the smaller channels 30 feet long, 9 inches wide, 1.5 - 2.5 feet deep (maintaining an average depth of 2 feet), each bouw should contain 16 channels 150 feet long.
5. To spread the soil dug from the smaller channels over an area 10 feet wide.
6. Land preparation, the making of laci (1/2 foot deep) and the carrying out of gebrus (1 foot deep) shall be done according to the rules of the company.

a. If laci is not considered necessary, the land is to be ploughed once instead. If there is any ground which cannot be ploughed, it has to be hoed. After ploughing the land, tronjol should be carried out, in which the ground is prepared in a similar manner to the above; Gebrus-iras follows to a depth of 1/5 feet, so that the original top layer of soil is returned to the surface. If gebrus-silak is necessary, this should be carried out.
b. If the land cannot be ploughed, because no draught-animal is available, the land has to be prepared by hand to a depth similar to the land ploughed twice, after which fertilizer is to be worked in dangir-lombok.

7. To carry fertilizer from storage and spread it over the ground under preparation.

8. To level the soil.

9. To make ridges.

10. To till the soil finely.

11. To form malir.

12. To set out the sujen and to further till the soil.

13. To prepare 10 seed beds and perform such tasks as: watering, fertilizing, replacing seedling, weeding, removing caterpillars and cocoons, and other jobs required by the company. Tools needed for seedbeds, such as empyak and bamboo poles will be provided and stored by the company. We shall be responsible for collecting them and returning them after use. If the empyak are damaged during use in the field we shall be responsible for their repair.

14. To transplant the seedlings according to the rules of the company, to place and remove the rodong, to carry out weeding and watering.

15. To repair the seedbeds en gebrus, and to level the ground area as usual. The digging of the rajangan shall be done by all the employees of the company together.

16. Dangir and palir shall be done according to the rules of the company.

17. Gebrus malang has to be done as deep as a big pacol slag and palir.

18. Gebrus palir and malir shall be done according to the rules of the company.

19. To irrigate as required, after which dangir and malir are to be carried out.

20. The plants shall not be damaged when caterpillars and cocoons are being removed.

21. To straighten plants which have fallen over and rearrange the leaves according to the rules of the company.

22. To top and remove flowers.

23. The clearing of large canals and smaller channels may be requested so long as the tobacco is still in the field. The original depth of the canals must be maintained during clearing.

24. Working hours shall be 6:30 a.m. till 10:30 a.m. and from 2 p.m. - 5 p.m. The company may vary working hours during harvest time, so that even after 11 a.m. we may be requested to work until 3 p.m.

25. Permission to leave the field during working hours may be obtained from the Dutch overseer if there is no work to be done in the fields.
26. To harvest and transport the tobacco to the smoke-house, to string the leaves and hang them up on bamboo poles. The leaves shall be picked individually and carefully, so that no leaves are damaged. The leaves must be spread out looped on drying racks in the smoke house, after which they must be strung as usual. The wages for stringing and attaching the leaves to bamboo pole, and hanging these in the smoke house, will be 1 1/4 cents per bamboo pole. Each bamboo pole has 10 pins, and to each pin 8 - 15 leaves must be strung, according to the rules laid down. Every pin has to have 3 ropes to tie it.

27. The payment for every basket of tobacco (which involves taking the poles down, removing the leaves, placing then in the basket, and transporting then to the storage area) is the same as last year.

28. After all leaves are picked, the stalks are pulled out and the bottom part is separated from the top stalks and transported to the smoke-house. The payment for this is 15 cents per one cubic metre.

29. We shall provide pins, *rodong* and and watering can, for which we will get fl. 1.- compensation.

30. The details of the tasks of tobacco cultivation shall be provided by the company.

31. The full payment for fieldwork shall be made in 6 installments, as follows:

   a. after *rajangan* channels are dug: fl. 5.

   b. after the *lacen* is made, and the *gebrus* work is half or fully completed: fl. 8.-

   c. when tobacco seed is sown: fl. 3.-

   d. at the beginning of transplanting of the seedlings fl. 7.50

   e. on the completion of the transplantation fl 5.50

   f. after the removal of the stalks fl 6.-

32. To fill the canal as usual. After permission has been obtained, *paddy kongsen* may be planted, as usual.

33. Upon proper completion of the field work, *paddy kongsen* may be planted. Half the harvest will be given to the company. We shall be responsible for all the costs of cultivation. The paddy seedbeds will be placed on our own land or that of others, but not on the ground where the tobacco has just been grown. After the *paddy kongsen* we must ensure that the soil is in the same condition as it was before the tobacco was planted. If we exercise the option to keep the entire *paddy kongsen* crop we have cultivated, we may pay off one half of this debt in *borongan*-wage labour, and the other half with *sunduq*-wage labour. The deduction arrangements will be established by the company.
In case we cannot fulfill our contractual obligations, in case our work is not up to standard, or we do not finish on time (all of which are to be decided by a commission, and in case we are dismissed for these reasons, we give up all rights to obtaining anything from the company.

In witness of the above I subscribe my signature and thumbprint.

This agreement has been made on ..........192 ..

Glossary of terms used in the above Contract

dangir = turning over a thin layer of the top-soil, in order to destroy weeds (hoeing).

dangir-lombok = dangir as is performed in the planting of chili (lombok).

empyak = a large roofed area on poles for seedbeds, in contrast to a rodong, which are little shelters for each separate seedling.

gebrus = the loosening of the soil with a shovel. In this case the soil between the laci.

gebrus-iras = simple gebrus in contrast to gebrus silakan.

gebrus-palir = gebrus and at the same time malir.

gebrus-silak = the upper layer of the soil is returned to the top again.

laci = soil preparation in which ditches and mounds are formed.

malir = the forming of mounds. The place from which the soil is taken becomes lower and becomes a draining gutter.

rajang = to divide into long strips. The rajang channels are the smallest channels which divide the ground into thin strips.

sujen = sticks which indicate where the seedling are to be planted.

tronjol = further turning over of the soil (by plough).
Appendix B

The Contract of Employment Between Tobacco Company and Overseer

1. The size of the area under my supervision is: ......

2. I must make sure that three labourers are recruited for every bouw, each one being responsible for one-third of a bouw, or four laborers for every bouw, each one being responsible for one-quarter of a bouw. I understand that I am not to work as a laborer (in the so called glebagan).

3. During the planting of tobacco, i.e. from ... till the harvesting of the tobacco, I must be present in the field everyday.

4. I must obey the directions of my superiors.

5. I must supervise the work of the laborers under me and see that none of them are dismissed. In case of dismissal I am responsible for finding a replacement.

6. I must ensure that the agreements between the tobacco company and the kuli kenceng are carried out accordingly.

7. In case I or some of my laborers are ill, I must find temporary replacements.

8. I assume responsibility for the proper and timely performance of the work. If in the opinion of the inspectors appointed for this, the work of a laborer under my supervision is so badly done that an extra laborer has to be engaged to complete the work, I agree to abide by that decision. If I am found to be responsible for this delay, I will have to be responsible for the wage of the additional laborer.

9. I must take care of the smoke-houses in my area, even after the tobacco season and see that all bamboo poles, ventilation shutters and other equipments belonging to the smoke-houses are accounted for.

10. I must ensure that each man harvest his own field. No women and children are to take part. Only mature leaves are to be picked. These are to be placed in baskets and after that on the drying racks in the smoke houses, with such care that the tobacco leaves are not damaged.

11. I must supervise the taking down of the bamboo poles with tobacco leaves, and see that this is done correctly. The leaves must be immediately put neatly into the baskets. I must arrange for the transport of the baskets to the sorting shed after I have received permission from my senior mandur.

12. I must ensure that the bamboo poles are taken down carefully so as not to damage the leaves. The leaves must not be left untied at night.
13. I must inspect the bamboo poles daily, to check that the amount of leaves, as decided upon by the estate, is correct, and also to ensure that the total amount of delivered bamboo poles is correct.

14. I must supervise the opening and closing of the ventilation shutters of the smoke-houses by the cleaner. I must ensure that the smoke-houses are kept in a hygienic condition.

15. In case of the smoke-houses are being damaged by heavy winds, flooding, I am responsible for see that they are repaired as soon as possible. The wages of the laborers carrying out the repairs shall be paid by the company.

16. My working hours are as follows: From April to September from 6 a.m. to 11 a.m. and from 2 p.m. to 5 p.m. From October to December, the whole day.

17. If one of my laborers dies, is dismissed, or walks off the job, I must find a new laborer to replace him.

18. If I do not fulfill my obligations I can be dismissed by the Manager of the company, after an inquiry into the matter has been conducted by the commission and my relevant supervisor.

19. In case of dismissal I lose all claim against the company and this contract is rescinded.

20. I declare that I will fulfill all the obligations as mentioned above. If I do not fulfill my obligations complaint can be made against me and a judge can impose a penalty.

21. My wages are made up of the following:

* Down payment for the recruitment of labour.
* Monthly salary.
* Bonus.

The down payment by the company for labour recruitment will be made only after I have recruited all the laborers and they have signed their contracts of agreement before the village headman concerned.

The monthly payments are ...

When all the tobacco has been delivered, the ventilation shutters closed, the bamboo poles placed in position and I have fulfilled all my obligations, provided that the harvest in my area has been successful, the company shall pay me a bonus in January amounting to fl. ...

In witness of the above I subscribe my signature and thumbprint before the village headman of my area.
Appendix C

The Technology of Tobacco Cultivation in the Principalities

The Surakarta region is one of the best places in Java for growing high quality tobacco for the international market. The physical requirements of such tobacco crops, in particular a location between 100 and 900 meters above sea level, a sharp distinction between dry and wet seasons, and an appropriate moisture level during the growing period, are all found here.\(^1\) Of equal importance, a special type of soil suitable for tobacco cultivation is found in several of the lowland areas of the region, where the soil quality is constantly being replenished by the ash and fresh silt from Mount Merapi.\(^2\)

Cigar tobacco cultivation requires very thorough treatment of both the land and its produce from the early preparation stages until the final packing stages in the warehouse. Unlike local tobacco, this high quality export crop, needs special treatment in respect of land preparation, the tending and harvesting of the crop, as well as the processing of tobacco leaf. The only crop grown in conjunction with export quality tobacco is rice which has traditionally been grown as an alternating crop in the same fields. The flooding of the fields for the rice crop eradicates pests and diseases and maintains the level of soil fertility required by tobacco. After the west monsoon rice harvested in April, the fields have to be dried out so that land preparation can be carried out in the months that

\(^1\) "Schema Tollenaar, 1949," AKCM, ARADH Box No. 120; "Kabupaten Klaten Dalam Angka Tahun 1979," p. 2.

Throughout its relatively short growing period, the tobacco crop requires a constant supply of nutrients and extremely good soil conditions. Dry and porous land have to be carefully prepared, and deep ploughing is essential to produce good quality cigar tobacco. The first step in land preparation is the establishment of the main water channels to drain the fields and provide irrigation. Ploughing and hoeing is then carried out between April and August, taking up about 60 per cent of the tobacco growing season. On heavy soil a special land preparation technique, known locally as *gebrus silak*, is carried out. This is a modification of the Reynoso system\(^4\) practised in the sugar industry and has been used in most of the tobacco areas in Klaten since 1910.

Tobacco seedbeds are prepared on a special section of the land in July, while land preparation is still continuing. In order to create a suitable seedbed, the land is hoed twice at five to seven day intervals. The beds are established in such a way that they are intersected by irrigation channels. After the seeds germinate, they are scattered across the seedbed. A traditional feature of tobacco cultivation in the Principalities is the erection of shades so that the seedlings are not exposed to direct sunlight. When the seedlings are 35-40 days old, they are mature enough to be transplanted.

Transplanting usually occurs between the third week of August and the second week of September, and is carried out in three phases with a 10-14 day interval. The purpose of

---


\(^4\)The Reynoso system was initially used as a means of intensive tillage of heavy soil in sugar cane areas. This system, which was usually carried out by manual labour, was found to be essential there because most sugar-growing areas in Java are located on heavier types of soil. In the 1880s, Van Beuren, a tobacco planter in Surakarta, experimented with the Reynoso system in preparing land for his tobacco crop, and found that the yield was higher than that obtained when using traditional ploughing methods. Subsequently, this system was introduced to the tobacco estates in Surakarta. Under the *gebrus silak* method both the upper and lower layers of the soil, each of about 20 centimeters deep, are dug and then returned to their original position. Interview with village-councils in Kocoran village, Gantiwarno Kecamatan, Polan village, Polan Kecamatan, April 1986; V.J. Koningsberger, “Sugarcane Cultivation,” Fourth Pacific Science Congress, Java 1929.
this method is to minimize the risk of bad weather or infestation by pests and diseases. Transplanting generally takes place in the cool of the afternoon, and the seedlings have to be immediately provided with water. During the first seven days, they are watered twice a day. The growing period of the tobacco crop is about 50 to 55 days from the time of transplanting, or about 90 days from germination. Weeding, pest and disease control, and regular watering of the plants are essential throughout the growing period, and the tobacco crop has traditionally been given priority over the food crops grown on the peasants' land in the use of any available irrigation water.

In respect to harvesting, various techniques have gradually been developed by the tobacco companies. What is described here are the techniques implemented in the early 20th century for high quality tobacco. The techniques which were in use before this period were presumably less thorough, but they cannot be described in detail because they are not well documented. About the first week of October, the first harvesting of tobacco leaf begins. The first two leaves are usually collected about 40 days after transplanting. Two weeks later, the third and fourth leaves (called sand-leaves) are harvested. Vorstenlands tobacco is harvested as soon as each set of leaves has ripened sufficiently, unlike local tobacco such as Kedu, which is harvested all at once. A tobacco plant usually has an average of 26 to 32 leaves. Because harvesting is carried out at one day intervals, with two leaves collected every harvest day, the harvesting extends over a period of approximately 30 days. The most suitable time for harvesting is after the beginning of the west monsoon (at the 100-150 millimetre rainfall level.) Harvesting is carried out in the morning before 10:00 a.m., and never in the afternoon. Careful handling is essential during harvesting, and all leaf is immediately hung in the smoke-house on the same day. The smoke-houses are located adjacent to tobacco fields so that the process of harvesting and hanging occur simultaneously.

Because of the limited capacity of the smoke-houses to accommodate all the tobacco leaves harvested for drying, different times for transplanting and harvesting the tobacco seedlings are arranged well in advance. The drying process takes about two to three weeks,
so by the end of October the tobacco leaf of the first crop planted and harvested are usually ready to be moved to fermenting sheds. But first they have to be sorted for quality, leaf by leaf, and grouped according to type into bundles of 60 leaves so that each type can be given its own special treatment.

The next phase is the fermenting stage, during which chemical changes occur in the tobacco leaf, after which the fermented tobacco leaf is again classed according to its quality and color. This stage is carried out by skilled workers, mostly women and girls, who are able to class the tobacco leaf according to twelve different grades.

Vorstenlands tobacco is packed and pressed into 80-kilogram packs (or baal) in the Principalities (100-kilogram packs or baal are used in both Deli and Besuki). The name of the estate, the year of the harvest, the quality and type of tobacco as well as the length are stamped on each baal. At this stage Vorstenlands tobacco is ready for shipment.
Glossary

administrateur = manager

adol lempung = to sell clay

afdeeling = division

alus = first, e.g. alus quality.

angger ageng = traditional laws on general matters

angger-anggeran = oral traditional laws

angger sepuluh = traditional laws on agrarian matters

apakage-land = lands given by the Sunan to royal family members or royal officials

banggal = tobacco stock and root

bau ayer = landless able-bodied peasants

bekel = village headman

bekel maron = village headman who paid taxes in kind

bekel ngiras = apanage-land holder who supervised the cultivation of his own apanage land

bekel pacul = bekel under the coordination of ronggo

bekel pemajegan = village headman who paid taxes in cash

bekel tuwo = senior bekel

bekti = payment by bekel to patuh at the beginning of their appointment and payments submitted by Dutch planters to patuh

belasting = taxes
bengkok = salary land

blad-tabak = the best quality dried tobacco produced by tobacco companies

borongan = contracted

bumi glebagan = land occupied by peasants

bumi kongsen = communal land

bumi oro-oro = waste land

bumi pangrembe = land on which the taxes were paid in kind

bumi prentah = land occupied by estates

bupati = regent

cacah = (1.) a labor unit comprising approximately five persons; (2.) family

cakruk = night watch shelter

carik desa = village official secretary

consignatie contract = special contract between the Dutch government and private companies such as NHM in selling goods on the international market

contract-system = contractual system

controleur = the lowest-ranking Dutch official in the Dutch administrative structure

conversie = a right over the use of land transferred from the apanage-system to a long term land lease

cultuur banken = estate banks

cultuur diensten = unpaid forced labor to be performed by the peasant for the plantation companies

Dana Mangkunegaran = The Mangkunegaran Fund

dawuh = order

dedel = the cancellation of the right to use agricultural land
dekblad = wrapper tobacco leaf, the best quality produced by tobacco companies

demang = village official who supervised the bekel

desa = village

desa coffee = coffee grown by peasants

domein-land = land occupied by the king

erpact recht = a personal right over rented land

filler = tobacco leaf, usually the lowest grade, used as filler

gandek = messenger

garebeg besar = traditional feast occurring in the twelfth month of the Javanese calendar

garebeg mulud = traditional feast occurring in the third month of the Javanese calendar

garebeg puwasa = traditional feast occurring in the seventh month of the Javanese calendar

gebrus-silak = a land preparation technique used in tobacco cultivation based on the Reynoso system used in sugar areas

gladag = land occupied by people who paid taxes in labor

hang krosok = krosok tobacco produced by companies

heeren diensten = unpaid forced labor carried out by peasants at the royal palace

heiho = auxiliary military unit recruited during the Japanese occupation

indung tempel = the use of another's land by landless peasants

intiran diensten = unpaid forced labor performed by peasants

jagulan = payments made by planters to the Sunan for the maintenance of the traditional militia

jajar gandek = junior messenger
jaluran = the practice of East Sumatran tobacco companies allowing the peasants to grow rice on a portion of unused tobacco land

jogoboyo = village security official

jompo = old people

jogotirto = irrigation official

jung belasting = tax to be paid by the patuh to the Sunan for every jung of agricultural land allotted

kalurahan = the village administrative territorial unit

kamituwo = village headman

kampong krosok = krosok tobacco produced by peasants

kebayan = hamlet head

kebun = field

kejawen-desa = villages where Dutch planters did not rent land

kapedak = smoke-house cleaner, usually children’s work

kepolo deso = village headman

ketju patijen = organized rural disturbances in the Principalities in the 1860s and 1870s as a reaction to the expansion of agricultural industry

kongsen = communal

krigaji = payment made by planters to the Sunan for road maintenance

krosok = dried tobacco produced by peasants

krupuk = tobacco leaf disease caused by a virus

kuli = peasant land cultivators recruited by the bekel

kuli andil = common villager

kuli kenceng = peasants who occupied agricultural land and land to erect dwellings
kuli pengindung = see indung tempel

lacen = land preparation carried out in the sugar-cane fields

lanas = tobacco disease caused by a virus

landbouw knecht = assistant to the peasant

lungguh = see bengkok

lurah = village headman

mandur = overseer

mantri gandek = senior messenger

maron-system = (1.) taxes paid by the bekel amounting to about 50 per cent of the yield produced by the kuli; (2.) share-cropping system in which the land-owner was entitled to 50 per cent of the produce

memretan = broken tobacco leaf

mertelu-system = share cropping system in which the cultivator was entitled to 30 per cent of the yield

modin = religious official

moro-limo = share cropping system in which the cultivator was entitled to 20 per cent of the yield

mozaik = tobacco leaf disease caused by a virus

mrapat = share cropping system in which the land cultivator was entitled to 25 per cent of the yield

nebas = renting out land to other peasants

omblad tabak = cigar tobacco leaf suitable for binder material, usually of medium class

paceklik = the period between planting and harvesting when food shortages sometimes occur

pager coffee = see desa coffee

pamong praja = government officials
partikuliere landen = privately owned land in the regions of Java directly ruled by the Dutch

patrol = night watch

patuh = apanage-land holder

pegagan = dry-rice land

pekarangan = dwelling land

pemajegan dalem = land for which the taxes were paid in cash

pemajegan-system = taxes paid by the bekel in cash

pemburi = deputy or junior bekel

penganyar-anyar = payment made by the bekel to the newly appointed patuh, see bekti

pengindung = a landless peasant who uses another's land

pepe = the Javanese traditional protest, which takes the form of sitting down in front of an official's residence

peraturan pemerintah = government regulation

petilan sawah = a portion of agricultural land set aside by the patuh for a particular purpose

petinggi = village headman

politie geld = payment made by the patuh to the Sunan, comprising 10 per cent of the land-rental money

polowijo = secondary crops such as soya beans, groundnuts and cassava

pranatan = decree

putra sentono = royal family members

romusha = the labor mobilization scheme carried out by the Japanese administration during World War II

rondo = widow
ronggo = lower level official appointed in rural areas

rukun gawe = tasks performed by the kuli-kenceng in the interest of all villagers, such as maintaining roads, dams, etc.

Rijksbestierder = Vizier, an official of high rank

sambatan wajib = forced labor carried out by the kuli on land of the bekel or patuh

sanggan = burden

sawah = irrigated agricultural land

sawah gantungan = unoccupied agricultural land used by the bekel

sawah sanggan = agricultural land allotted to the kuli

sawah tadahan = agricultural land irrigated by rainfall

selapanan diensten = unpaid forced labor performed by the kuli every 35 days on estate land

seleh = loss of the right to cultivate land

sewa = rental

sinder = Dutch overseer

Sistem Sewa Dengan Insentif = The Incentive Rental System

srama = advanced payment made by the land cultivator under the maron sharecropping system

straf diensten = punishment by unpaid forced labor

sunduq = the tying up of green tobacco before hanging in the smoke-house

surat keputusan = decree

tani = peasant

tebasan = sale of the rice crop while it is still standing in the field

tebu rakyat intensifikasi = the peasant sugar-cane intensification program
tegalan = dry land

tuin coffee = see desa coffee

undang-undang = laws

Vorsten diensten = see heeren diensten

vrij domein gronden = see domein land

wakil bekel = see pemburi

waris blabag = inheritance of agricultural land by male able-bodied peasants

welit = plaited dried cane leaf used to construct smoke-houses

wewenang ambubak = the right to clear a portion of waste land

zegel geld = seal money