CHAPTER XIII

The consequences of economic warfare

In the course of time more and more commodities were added to the lists of absolute and conditional contraband drawn up by the Great Britain and France. In September 1914 copper, lead, rubber, and hides became contraband (which as London pointed out in 1917 implied that horses were also contraband, as it was impossible 'to export a live horse without his skin').\(^1\) A month later jute was added. In December rubber and mineral oils were declared absolute contraband. In March, April, and August 1915 the axe fell on raw wool, copra (used for the production of oil and soap), and cotton respectively. The consequences of such announcements were drastic. Immediately prices of cotton and copra dropped sharply in the Netherlands Indies.

Great Britain and France, developing their measures in close concert, aimed at achieving full economic isolation of Germany and Austria-Hungary. In London and Paris depriving the enemy of imports was seen as one of the ways through which Germany and Austria-Hungary might be forced into surrender. Such a strategy had won strong support in the British Navy as early as 1907 (Ferguson 2001:125). Throughout the war the Allied Powers continued to attach great value to the economic blockade of the Central Powers. When Italy entered the war on the side of the Triple Entente in May 1915, the military advantage to the Allied cause was not rated highly at the Foreign Office in London. What counted was that one of the routes along which a considerable amount of commodities had reached Germany in the previous months was now closed.\(^2\)

Great Britain and France controlled the sea, but they did not have control of the land borders of Germany. For diplomatic and economic reasons, they could not put an end to German imports from the northern neutral countries in Europe. Throughout most of the war the German economy remained strong enough to provide the neutral countries with coal, iron, chemical products, medicines, machineries, textiles and other commodities they urgently needed.

\(^1\) Townley to Cecil, 18-11-1917, PRO FO 800 195.
\(^2\) Nicholson to Hardinge, 10-6-1915, PRO FO 800 378.
This made an economic boycott of countries like Holland ineffectual, even counterproductive. Till well into 1917, policy makers in London and Paris had to take into account that an economic blockade of the neutral European states, with the Netherlands because of its location being one of the most likely targets for such a step, might force these countries into the German camp. The fewer the goods the Allied Powers allowed to enter the Netherlands, the more the Dutch had to turn to Germany for essential imports.

To the dismay of politicians and of the general public in Great Britain and France, and later also in the United States, a profitable trade developed between the neutral countries and Germany. A hostile press which attacked the profits Dutch people made from the trade with Germany helped considerably to create an anti-Dutch mood in the Allied countries and in the United States. The Dutch sure in their conviction that they had done nothing wrong and that by showing a fair neutrality they had acted as citizens of a neutral country should, blamed the foreign newspapers, especially the tabloids, almost every time they were confronted by unpleasant reactions from the Allied Powers. A member of the Dutch Senate stated in February 1918 that the ‘poisonous gasses of the tabloids’ had had a greater effect than ‘the poisonous gasses of German bombs in the trenches’.

By November 1914 the heading ‘The economic war’ appeared above the war telegrams in the Dutch-language newspapers in the Netherlands Indies alongside others like ‘War at sea’ and ‘War in the sky’. Confronted with this special kind of warfare, the Netherlands had to find a way to accommodate both Allied and German demands, and from time to time had to parry severe threats from both sides. Berlin’s protests against the way the Netherlands maintained its neutrality were at times, as the British Ambassador in The Hague said, ‘guttural and menacing’. London did not eschew ‘bullying’, a word which after a while began to crop up in the correspondence between London and the British legation in Holland about the way the Netherlands should be treated. With Germany and Great Britain trying to starve each other into surrender, the Netherlands was caught between the devil and the deep blue sea. In its negotiations with Germany and Great Britain, the Dutch government had to make sure that the concessions made to one side did not offend the other. As the war progressed, this became increasingly difficult. The members of the Dutch government, especially the Minister of Foreign Affairs, Loudon, had to tread carefully. Great Britain had the power to make Dutch sea traffic impossible. Germany might well be able, as Loudon explained to London on various occasions, to occupy Holland before Allied forces had

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3 Handelingen Eerste Kamer 1917-18:191
4 Townley to Cecil, 17-3-1917, PRO FO 800 195.
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had a chance to come to its assistance.\(^5\) In London the Foreign Secretary, Sir Edward Grey, was sensitive to the argument. Unless the Allied Powers were in a position to assure the Netherlands that they could prevent an invasion by Germany, it would not ‘be fair in their own interests to suggest that they should cease to be neutral’.\(^6\)

The Netherlands’ position in World War One resembled that of Turkey and China in the pre-war years, with Great Britain and Germany competing for control over its economy. Each had allies in the commercial and political elites. Of the two figures who dominated the Dutch business community, Van Aalst, the President of the Nederlandsche Handel-Maatschappij, and therefore with the fate of the colonial estate economy at heart, tended to align himself with the British. His main rival, A.G. Kröller, a Rotterdam shipowner and trader, maintained excellent relations with Germany. In the government Treub, who in concert with Van Aalst determined the bulk of Dutch trade policy, was considered to be not disinclined towards London. His colleague in Agriculture, Industry, and Trade, F.E. Posthuma tended to be pro-German. The same was said about the Prime Minister, Cort van der Linden. In Allied circles he was known as Caught unter den Linden.

Loudon was the first to receive threats and protests from London, Paris, and Berlin. Thrust into the limelight by the war the stature of his Department of Foreign Affairs changed. For a long time it had been a rather insignificant Ministry, greatly overshadowed by that of the Colonies. It was ‘a forgotten department’. People considered it to be ‘very stuffy’ (Colenbrander 1920:102). During the Russo-Japanese War it had even been considered incompetent. World War One changed all this. As Van Kol remarked in the Dutch Senate in 1918 the work of a Minister of Foreign Affairs no longer consisted mainly of ‘lunching, dining, having supper, and sauntering’.\(^7\) There was great praise for what Loudon had accomplished. According to the British Ambassador in 1917, Sir Walter Townley, he became ‘a sort of national fetish’ for keeping Holland out of the war.\(^8\) Loudon, who in the eyes of Townley was ‘inspired by a holy terror of Germany’ was not considered by the British to be somebody who had ended up in the camp of their enemy because of this.\(^9\) On the contrary, Townley described him as ‘undoubtedly pro-Ally at heart, though so intent upon preserving his neutral attitude that it is hard to detect in his public acts much good feeling towards us.’\(^10\)

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\(^5\) Townley to Cecil 24-3-1917, PRO FO 800 195.
\(^6\) Grey to Johnstone 20-1-1915, PRO FO 800 69.
\(^7\) *Handelingen Eerste Kamer* 1917-8:474.
\(^8\) Townley to Cecil, 29-10-1917, PRO FO 800 195.
\(^9\) Townley to Cecil, 29-10-1917, PRO FO 800 195.
\(^10\) Townley to Cecil, 18-11-1917, PRO FO 800 195.
Unable to control the German land borders, the best London and Paris could do was to prevent neutral merchantmen carrying transit goods to and from Germany. In this way they put an end to the export of colonial wares which had been declared contraband to Germany and Austria-Hungary from the Netherlands Indies. With British warships controlling international seaborne trade, London was virtually in a position to decide which commodities – including goods which before the war had been imported from Germany, but which Germany no longer supplied because of the war – could be transported to the Netherlands by neutral merchantmen. In The Hague, a key role in the supervision of Dutch foreign trade was played by Sir Francis Oppenheimer, the Commercial Attaché at the British Embassy. His job did not make him a popular figure in Holland. Oppenheimer was also disliked by the British, maybe because he was of German descent. His father was a German who had been naturalized. Referring to him in 1917 the British Envoy remarked that he had never ‘known a man so universally hated’.\(^{11}\) Oppenheimer who was tolerated in his function because he was an expert in his field, was ‘a horrible difficult question’; ‘an unfortunately unsympathetic personality’; a man who had ‘deplorable manners’.\(^{12}\) In Holland for a brief moment in the autumn of 1915, the Allied effort to keep track of Dutch trade was assisted by an ‘anti-smuggling bureau’ created by H.M.C. Holdert, the majority shareholder of the Dutch newspaper *De Telegraaf*. What its agents discovered about smuggling to Germany and Belgium was reported to the British and French Embassies.

British control of shipping in Asia was as tight as in Europe. All ships which entered and left ports in the Netherlands Indies were stopped. Sometimes they were ordered to sail on to Singapore for a closer inspection of passengers, cargo, and mail. Ships which sailed in the western part of the Archipelago were not exempt from searches. The problem was that the ships sailing between the ports of the Netherlands Indies had to leave the three-mile wide territorial waters. Usually the searches took place on the high seas, but ships sailing in colonial territorial waters were occasionally also arrested so that their cargo, mail, and passengers could be checked. This was usually done by British warships, and occasionally the Australians did the job. Japanese cruisers did their share after May 1916.

The warships had every freedom to act. In the absence of a strong German fleet, they could sail as close to colonial territorial waters as they wanted. A ‘distant blockade’ as in Europe, where British warships patrolled at a safe distance from German naval bases, was not necessary. Another difference was that in Asia cargo was not the first concern. The Germano-Indian complot

\(^{11}\) Townley to Cecil, 17-3-1917, PRO FO 800 195.

\(^{12}\) Townley to Cecil, 17-3-1917, PRO FO 800 195.
to foment unrest in India and the Malay Peninsula meant that mail and passengers were the prime target of the searches. One of the first questions asked when a ship was searched was whether there were Germans on board. Other suspect persons – including a German soldier in the colonial army and sailors of German ships stuck in the ports of the Netherlands Indies who had signed off – were also liable to be arrested. Mail was confiscated.

The Netherlands Indies was effectively cordoned off by the British Navy. When Bijl de Vroe accompanied Van Limburg Stirum on a sea voyage from Batavia to Semarang in October 1916, he noted in his diary how they passed 'the wretch of an English cruiser which stops and searches all ships' after they had left port (Bijl de Vroe 1980:98). The ship on which the Governor-General and his adjutant travelled was not stopped. Informed about who was on board, the captain of the cruiser had a twenty-one-salute fired. Bijl de Vroe probably worded the prevailing sentiment amongst Dutchmen. Captains of Dutch ships made the best of it, adding an element of sport to the game. They tried to avoid an encounter with Allied warships and challenged their crews to find them. British captains took up the challenge, pleased with any distraction during what was often a very boring routine patrol.13

In the Netherlands Indies the successive British Consuls General were the persons who determined what foreign trade was still allowed and what not in consultation with London. Another of their tasks was to keep track of enemy spies. They were well informed. The Consuls General and the other British authorities in Asia received their information from members of the British community in the Netherlands Indies, from the occasional Dutchman, and from a network of informants and agents. Kraft was one of their spies. Another asset was ‘a double agent known by the code name “Oren” born of a Swedish mother and a German father, working under deep cover within the European business community’ (Choon 2001:71). Until 1916 yet another good source of information was the British employees of the Eastern Extension at telegraph stations. Occasionally they sent information directly to Allied warships.14

One of the results was that when Dutch merchantmen were searched in Asian waters, it was sometimes known in advance that Germans or suspected Indians were on board or that Dutch people living in the Netherlands Indies carried mail for German friends and acquaintances to evade British mail searches carried by neutral ships. They and other Dutch Residents of the Netherlands Indies, who were suspected by the British authorities of being enemy agents, or as it was diplomatically phrased were ‘unneutral’, were arrested and taken off. One of the persons who fell victim to this was the

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13 Soerabaiasch Nieuwsblad, cited in De Locomotief, 11-1-1917.
14 De Locomotief, 28-3-1916.
Governor General J.P. graaf van Limburg Stirum (Van Gent, Penard and Rinkes 1923: Photo 260)
secretary of the German Consul General, R. Götte. Travelling from Tanjung Priok to Belawan he was taken off in the Straits of Malacca just outside territorial waters in January 1916. The British had been waiting for him. Götte had known that it had not been safe for him to travel, but had taken the risk nevertheless. Another German had more luck. Travelling from Samarinda to Buleleng he was taken off and was interned in British Borneo in July 1916. It was the second time he was interned. He could prove that earlier in Singapore he had been released because of his age, he was fifty-four. The British set him free. They gave him a first class ticket to continue his journey. It was reported that the German in question was ‘very satisfied’ with the treatment he got. Yet another such incident happened in August 1916. A Dutchman travelling from Padang to Batavia, who British intelligence had been told was carrying mail for ‘an enemy official in Batavia’, in fact letters from the German Consul in Padang to the German Consul General in Batavia, was taken off. After The Hague had protested, the British government explained that examining the many letters the person in question had in his possession would have delayed the Dutch steamer too long. No incriminating mail was found.

British consular officials also succeeded remarkably well in keeping track of the flow of goods in ports in Holland and the Netherlands Indies; curtailing Dutch commerce accordingly. In September 1917 The Times wrote that Great Britain had ‘built up an extremely efficient intelligence service to keep watch over the “ins” and “outs” of the “blockade”’. London knew ‘pretty nearly everything there was to know about German’s war-time methods’, including ‘the tricks and false scent adopted in ordering goods’ in neutral countries.

What lay in store for Dutch seaborne trade had dawned on people’s consciousness in September 1914 when the first merchantman from the Netherlands Indies for over a month had reached European waters. It was the Tambora. Among her passengers were Idenburg’s wife and son, who had left for Europe in anticipation of the Governor General’s retirement. The Tambora had sailed from Tanjung Priok at the end of July. The voyage to Europe had taken much longer than it would have done under normal circumstances. On 5 September the Tambora was detained for one week at Brest, where she had to unload her mail and her cargo of rice, coffee, and tea. The incident was the first of its kind and made a great impression in the Netherlands Indies. Disquieted by the news, the two major Dutch shipping companies – the Rotterdamsche Lloyd and the Nederland – and export houses in the Netherlands Indies decided to

15 De Locomotief, 25-7-1916.
17 The Times, 10-9-1917.
ship products such as rice, coffee, tea, and rubber to British and French ports only, and not to Dutch ports. The shipping companies were motivated by the fear that their precious ships might be taken as a prize. The Declaration of London of 1909 (which was never ratified) allowed freighters to be seized as a prize if more than half of the cargo consisted of contraband. Such a proportion could easily be reached after a Dutch ship had unloaded a part of the cargo in British or French ports. At that moment the Dutch business community had no clear notion of what Great Britain and France considered contraband. Neither had the Dutch government in The Hague nor Idenburg and his staff: ‘Please wire which colonial products (are) by belligerents considered contraband and if tea and rubber shipped in Dutch steamers and directly consigned to England run any risk’, Idenburg asked Pleyte in The Hague by wire in English on 10 September.\(^\text{18}\)

Pleyte himself wrote a long letter to Loudon on 11 September 1914. He called attention to the ‘grave consequences’ for the colonial economy of the detainment of ships. The estates in the Netherlands Indies had survived the August crisis, but it was vital that their products reached their markets. The colonial economy had felt the consequences of war, but these did not have to be as drastic as they were in Europe. It would be a different matter if the export of products became impossible or was seriously hampered. Pleyte wrote gloomily that he agreed with those who predicted a total lay up of the carrying-trade between the Netherlands Indies and Holland. He asked Loudon to explain in London and Paris that French and British investments in the Netherlands Indies would likewise be hurt when this happened. To underline his point, he recalled how he and Idenburg had come to the assistance to the estates in the early days of the war, irrespective of whether these estates were British, French, or Dutch. Pleyte was convinced Great Britain and France should be grateful for this and should appreciate the strict neutrality maintained in the Netherlands Indies.\(^\text{19}\)

Loudon did try to persuade London and Paris to relax their supervision of Dutch seaborne trade. It was to no avail. Private initiatives proved more successful. Again Van Aalst played a crucial role. In view of the disastrous consequences the Allied contraband policy might have, a Commissie voor den Nederlandsche Handel (Committee for Dutch Trade) was formed in Holland in September 1914. It was chaired by Van Aalst and Kröller was one of its members. With the approval of Loudon, this Committee for Dutch Trade discussed the consequences of a blockade of the Dutch coast with the British Envoy, Alan Johnstone. To press home their point, the British Envoy was asked

\(^{18}\) Idenburg to Pleyte, 10-9-1914, NA, Kol. Geheim, Vb.11-9-1914 M18.

\(^{19}\) Pleyte to Loudon, 11-9-1914, NA, Kol. Geheim, Vb. 11-9-1914 M19.
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‘whether it was necessary or indeed the intention to starve the Netherlands along with Germany’ (Houwink ten Cate 1995:26).

This was not the aim of the Allied Powers. The solution was a limited liability company, the Nederlandsche Overzee Trust Maatschappij (NOT, Dutch Overseas Trust Company), founded by the committee on 23 November 1914. The major Dutch banks and shipping companies cooperated in establishing the NOT (Van Dorp 1920:199). Van Aalst became chairman of its five-man-strong executive committee and of its larger executive board. Kröller was a member of the executive board. The goal of the Dutch Overseas Trust Company was to enable goods to be imported from abroad and from the Netherlands Indies into Holland which had been declared absolute and conditional contraband by the Triple Entente and to have the shipment of goods to the Netherlands Indies from Dutch ports proceed as smoothly as possible. Starting modestly with two office rooms in a bank building on the Kneuterdijk in The Hague within the space of little more than one year the NOT developed into a large organization, employing a thousand people, and with offices spread over fifteen houses (Van Dorp 1920:200). The NOT grew into an important institution. It would become, as C.A. van Manen aptly chose to use as the title of her publication about the NOT, the ‘centre of foreign traffic of the Netherlands during the World War’ (Van Manen 1935). In August 1917 the British Ambassador in Holland concluded that the NOT ‘had been able to set up a machinery of government which no real government could have established without legislative acts’.20

The British government selected the NOT and not the Dutch government as its trusted partner in regulating Dutch seaborne trade. Being the authority which had the power to grant permission for Dutch imports and exports, the NOT functioned as an extension of British control. The advantage for the British was that Dutch ships with NOT cargo did not have to be searched, with the exception of mail of course, but this was a different matter. The task of the NOT was to ensure that contraband goods shipped to Holland did not end up in Germany; the NOT warned on various occasions after peace might have been reached or after the Dutch government had lifted existing export bans. This gave the trust the responsibility for the distribution of commodities imported from abroad in Holland. The final decision always remained in British hands. Before imported good could leave the warehouses British consent was necessary. Sometimes it could take months before permission was granted. Initially this concerned especially consignments distrusted by the British, which could be released only after the NOT had submitted documents showing that there was nothing wrong with the shipment. Later in the war other shipments had to wait for British consent as well and goods piled

20 Townley to Cecil, 17-8-1917, PRO FO 800 195.
up in warehouses in Holland.

To prevent goods imported under its supervision being smuggled into Germany, the NOT employed an army of inspectors. Their task was to inspect the warehouses and the books of firms engaged in the import and trade of commodities which fell under NOT control. Were the inspectors to find out that goods had been re-exported to Germany, the import firm concerned would be fined and imports might be stopped. One of the instances on which the NOT imposed such sanctions took place in March 1916, when its inspectors discovered that chocolate had been smuggled to Germany. The NOT immediately clamped down on the import of cacao. Hoarding was of no use. By circular the NOT warned about 30,000 Dutch import firms in August 1916 that the bans of re-export to the Continental Powers would remain in force after war had ended.

The NOT decided which goods from overseas could enter Dutch ports, in what quantities, and during which period. Had a shipment not been shipped in the period fixed by the NOT the permission became void. It could be renewed, but the ruling became a problem after some time when shipping opportunities became increasingly scarce. In compliance with the Allied contraband policy, the NOT issued permits for the import of these articles only for domestic use or for transit to other neutral countries. All imports of such goods had to be consigned to the NOT. Originally this only affected a selected number of articles, but gradually Allied bans and in step with this NOT involvement seemed to extend to almost all imports, including such items as rice wine and other spirits, cigarette-holders, rose bushes, calendars, and dog biscuits (Van Dorp 1920:203). With respect to imports from the Netherlands Indies only quinine and cinchona bark did not have to be consigned to the NOT at the beginning of 1917. All other products had.

The presence of the NOT made it possible for colonial wares from the Netherlands Indies which the belligerents had listed as contraband still to reach Holland, providing that they were addressed to the NOT. Under the supervision of the NOT, the import of rice from the Netherlands Indies to Holland was resumed in January 1915. When cassava was declared contraband in March 1915, only shipments consigned to the NOT were transported to Holland.21

Shipping companies were informed of the import bans and quotas imposed by the NOT. They in turn informed exporters in the Netherlands Indies that they refused to transport the goods concerned if no NOT certificate for import into Holland could be submitted. There must have been some loopholes. The shipping companies warned export firms in the Netherlands Indies that when

goods were still sent to Holland from the Netherlands Indies which did not comply to NOT regulations the risk was high that these would be returned to the port of shipment in August 1916. Naturally the NOT and the shipping companies would not bear these costs.

When a NOT permit became necessary for goods which had been free from import restrictions up to then, this usually meant that the batches which at that moment had already been ordered or sold but not yet shipped were included. Only when the exporter was blessed by the good fortune to have had his wares already loaded on board ship, was he sure that his wares could still be shipped to Holland. When the quotas fixed by the NOT had been reached, imports had to be stopped. In May 1915 this put a temporary end to the import of tapioca products and in November 1915 to that of maize and rubber from the Netherlands Indies into Holland. The Dutch government had no say in all this. All Pleyte and Idenburg could do was to plead. After the trust had called a halt to the export of maize, all Batavia could manage to do was, to give one example, to ensure that that consignments – in total 6,000 tons – which had already been sold and awaited shipment, could still be exported to Holland.

Initially, a few products which London and Paris still allowed to reach Holland undisturbed were free of NOT supervision. One of these was medicinal wares such as cinchona bark. Another was tobacco (as of mid-1916 restricted to tobacco from the Netherlands Indies, not from elsewhere); a product for which prospects had seemed especially grim at the outbreak of the war because its main market was in Germany and Austria-Hungary. Initially coffee from the Netherlands Indies could also be freely exported to Holland. It fetched ‘fabulous prices’ in Germany and Austria-Hungary; not least because coffee from South America was listed as contraband. In October 1915 the NOT intervened when a Dutch freighter had hidden Brazilian coffee beans among coffee beans from Java. A special committee was instituted to check coffee arriving in Dutch ports. From that moment on, coffee from the Netherlands Indies had to be consigned to the trust, which inexorably also fixed import quotas. Around the same time, the shipment of tobacco had to be briefly restricted after an Amsterdam firm had literally used tobacco as a cover to smuggle rubber to Holland.

At the end of 1915 it was widely acknowledged that the NOT had become an indispensable adjunct to Dutch international trade. The annual report of the Dutch Kamer van Koophandel (Chamber of Commerce) for 1915 noted that colonial trade had adjusted grudgingly to the shackles of the trust. Unkind criticism had been the result, but gradually it dawned on more and more people that the NOT was ‘one of the necessary factors, which would enable the Netherlands as a big Colonial Power to continue to play the role of a buffer state without hurting the traffic between motherland and colonies.
too much’. Even so the arrangements the NOT made with London were a constant source of criticism. People in Germany, and indeed some in Holland shared this view, saw the NOT as an ‘English institution’ (Treub 1920:163-4). In their eyes the establishment of the NOT meant that the whole Dutch transit trade had capitulated to Great Britain.

The NOT also played an essential role in the securing of imports from Holland in the Netherlands Indies. From June 1915, British exports to the Netherlands, with a few exceptions, were allowed only for articles consigned to the NOT or for those for which a special licence had been issued. This regulation was also in force for goods which had been ordered from Holland to be transhipped from Dutch ports to the Netherlands Indies. Incontrovertible the power to regulate exports and imports in Holland implied that the NOT had a large say in shipping. Van Aalst boasted that most ships fell under control of the NOT when he was interviewed by the correspondent of The Times in Amsterdam at the end of 1915. Pleyte had to admit in March 1917 that all negotiations about calling at British ports were conducted by the Trust.

Even more vital to the colonial economy was that NOT permission was necessary for imports from Germany to the Netherlands Indies. Aware that certain German goods were essential to keeping industries in the Netherlands Indies running, Great Britain permitted the placing of orders from the Netherlands Indies in Germany and Austria-Hungary, but imposed stringent conditions. In March 1915, Great Britain and France announced that they would seize all enemy goods on neutral merchantmen. Immediately the Committee for Dutch Trade contacted the British Embassy to work out a special arrangement for the Dutch colonies. At that moment the Dutch government was still brimming with confidence, at least this is the impression it made on the outside world. Via a message in the Javasche Courant, the public was informed that the Committee had begun its negotiations and that the Minister of Foreign Affairs had informed his colleague of the Colonies that the British and French measures would probably not harm the supply of goods ‘of enemy origin’ to the Dutch colonies. The committee and the British government reached an agreement concerning ‘goods of enemy origin required for the factories, industries or public services of Dutch colonies which cannot be procured

23 British proclamation relating to the exportation of all articles to the Netherlands during the present war, 25-6-1915, State Papers 1915:274.
24 De Locomotief, 3-1-1916.
25 Pleyte to Koninklijke West-Indische Maidienst, 19-3-1917, NA, Kol. Openbaar, Vb.19-3-1917
13.
26 Javasche Courant, 9-4-1915.
Armed with what was known as a D-certificate, issued by NOT, such ‘licensed goods’ could be shipped to the Netherlands Indies without the risk of being confiscated. NOT took its responsibility seriously. The trust refused certificates for shipment if there was a shadow of a doubt about whether the goods met the requirements.

Within months, disagreement arose over the question of whether shipments by the Dutch government were exempt from the obligation to acquire a NOT certificate. The confrontation came at the end of 1915. The villain of the piece was the shipment of chemical dyes. The importation of chemical dyes was highly important to the Netherlands Indies. The dyes were essential to the Javanese batik industry, which was already hard hit by the decreasing purchasing power of the population. Traders and producers had been forced to close up shop. The industry should not have to risk any further decline. Alternatives were unavailable. Germany was the only source of supply of chemical dyes. Shortly after the outbreak of the war Berlin had issued an export ban expressly to hurt Great Britain, who was likewise dependent on German dyes. The consequence had been felt immediately in Java. Firms resold dyes they received for a much higher price. Others held on to their stock in the hope of fetching an even higher price in the future, especially in Great Britain. Prices sky-rocketed. The price of a barrel of one such dyes, alizarin, rose from 63 to 2,000 guilders. Returning to the ways of the past and the use of natural dyes like indigo, sago, kudu and tegerang bark was not really an option. Production was too small, and domestic and foreign demand sent prices soaring. Another problem was that Javanese craftsmen would again have to learn how to work with natural dyes. The apparently sensible suggestion that bananas could be used as an ingredient to produce all kinds of colours – pink, yellow, brown, green – was only really considered seriously just before the end of the war.28

The colonial authorities took the matter very much to heart. Though the production also involved Arabs and Chinese, a decline in the *batik* industry would predominantly harm the prosperity of the Javanese population. After a ban had been issued on the export of artificial dyes from the Netherlands Indies, Berlin permitted the export of dyes to Java in a proportion equal to the export volume of 1913. A second condition was that NOT should not be involved in the purchase, the shipment to Java, or sale in the Netherlands Indies. Following the agreement, the Ministry of the Colonies allowed a number of private companies to buy a large quantity of dyes in Germany in exchange for tin. Batavia set a price limit in Java. To cut out a string of

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27 Oppenheimer to Van Vollenhoven, 6-1-1916, NA, Kol. Geheim, Vb.20-1-1916 U.
28 Koloniaal verslag 1916:231-2; Clarke 1918.
middlemen creaming off their profit, the European import firms agreed to open up the possibility for *batik* producers to buy dyes directly from them. Labelled government goods and addressed to the Governor General the dyes were shipped to Java by the *Kawi* in early November. When he learned of the shipment, the British Ambassador lodged a protest with Van Aalst. Johnstone asked for a copy of the licence issued by the NOT. He also demanded to know why the trust had allowed dyes to be exported. Johnstone stressed that under no circumstances could the goods leave port – which in fact the dyes did the next day – without his consent. He warned that the Dutch government should comply ‘in order that complications may not arise in this connection’. In his turn, Van Aalst impressed upon the Ministry of the Colonies that to prevent the arrest of outgoing ships, German goods could be exported when they had a NOT certificate. Van Aalst insisted this was in accordance with the agreement the trust had concluded with the Allied authorities.

Evidently the British government was seriously nettled. It was well aware of the fact that in other instances the label ‘government goods’ had also been used to circumvent British control over the export of German goods to the Netherlands Indies. In the previous months, the Ministry of the Colonies had been contacted by a number of firms, which had received orders from government departments in the Netherlands Indies, but which the NOT had refused to provide with a certificate. Some of the articles concerned had been transported consigned to the Governor-General as government cargo to the colony.

In unmistakable terms, Oppenheimer warned the NOT that this was untenable. Shipments by the Dutch government fell under the terms of the agreement concluded. In one of his letters he ‘kindly’ asked the NOT to take ‘immediate steps’ to provide the ‘needful assurance’ that in the future the terms of the agreement would be obeyed. Oppenheimer added ‘privately’ that ‘the large quantity of goods of enemy origin shipped under the Netherlands Government contracts’ had alarmed the British authorities. For the ‘smooth working’ of the arrangement, he should ‘be able to send home a very early and satisfactory reply’ to his letter.

London now had the bit between its teeth. Oppenheimer, who confessed he did not understand why the Ministry of the Colonies had acted the way it had, as dyes could be exported through the intermediation of the NOT, continued to berate the NOT. He asked for copies of the export licence and for ‘definite figures’ regarding the requirement of the dyes in the Netherlands Indies in the previous years. Had the NOT indeed given permission for the shipment,

the Trust should provide him with guarantees that the dyes were for ‘bona
fide use’, and that the Dutch government had adopted measures ‘to ensure a
distribution and absolute consumption’ in the Netherlands Indies. Once
again, he inquired into the measures the NOT had taken ‘to control any
shipment made by the Netherlands Government to the Governor General or
other consignees in the Dutch East Indies’.31 A few days later Oppenheimer
returned to the subject. This time he wanted information about the distribu-
tion of the dyes. Did these go to the highest bidder, or to factories according
to their known requirements?32 All this time the Ministry of the Colonies had
remained immune to requests for information by the NOT. When it could do
so no longer, its Secretary General suggested the NOT reply to Oppenheimer
simply telling him that the dyes were destined for firms which had already
been using them before the war and sold them to the native batik industry.33

The shipment of dyes made London decide to put an end to the export of
tin, which had served as a barter for the dyes, to Holland as a punishment. The
export of German dyes to the Netherlands Indies was allowed to continue, but
the quantities shipped were far from adequate to meet the demand. When the
British Consul General in Batavia was not satisfied with the way Dutch firms
in Java distributed artificial dyes, shipments were confiscated by the British in
mid-1916 but within weeks shipping could be resumed. The colonial govern-
ment promised to buy the artificial dyes and act as sole distributor, using its
civil servants and local banks which had especially been set up to lend money
to indigenous business ventures.

The affair had put Pleyte, as he described this in a letter to Idenburg, in
an ‘extremely painful’ situation.34 It was bad enough his department had to
endure embarrassing inquiries by the Trust. In another respect it also found
itself in an uncomfortable position. In Java the Batavian branch of the German
firm Carl Schlieper had won a tender for the supply of hardware items like
nails, screws, and gas pipes issued by the Engineering Corps in the middle
of October. It was a large order: in total 1,500 tons. In The Hague its Director
Walter Schlieper contacted the Ministry of the Colonies to ask for help. Pleyte
decided to lend his assistance. His Ministry would take over the goods and
ship them to Java as a government consignment. Oppenheimer nipped the
enterprise in the bud. In a letter to the NOT he inquired about the name of
the merchantman aboard which the shipment was to be transported to Java
in January.35

32 Oppenheimer to Van Vollenhoven, 3-12-1915, NA, Kol. Openbaar, Vb. 16-11-1915 55.
33 Staal to De Beaufort, 8-12-1915, NA, Kol. Openbaar, Vb. 16-11-1915 55.
34 Pleyte to Idenburg, 11-1-1916, NA, Kol. Geheim, Vb. 11-1-1916 R.
35 Oppenheimer to Van Vollenhoven, 6-1-1916, NA, Kol., Geheim, Vb. 20-1-1916 U.
Oppenheimer’s request could only mean that Great Britain intended to search the ship and seize the cargo. Pleyte was at his wits’ end. His Ministry had made a promise but trouble lay ahead if it was honoured. His staff considered buying the goods and storing them at the Colonial Establishment in Amsterdam. This proved impossible. Wares there were already piling up. To rent special storage space was another way out, but Pleyte was against this. He confided to Loudon that such a move would make a strange impression on the Schlieper Firm and on the German government. Thereupon an investigation was mounted as to whether the Engineering Corps in Holland could use the goods. This also offered no way out. Pleyte tried to shelve a decision by asking Loudon to have the Dutch Envoy in London plead that the British Navy should not confiscate the shipment. The plea fell on deaf ears. In the end the Ministry of the Colonies had to go back on its word. Schlieper was informed that he himself had to be responsible for delivery. In order to obtain a D-certificate, Schlieper asked for a statement that goods were destined for the colonial administration. Pleyte did not raise any objections. ‘How the man will manage to carry it off is a matter of indifference to us’, he penned in a note.

British distrust meant that from the beginning of 1916 German goods ordered by the colonial administration could only be shipped to the Netherlands Indies with a NOT certificate, which was only given after the British Embassy had given its permission. The Trust, which at the height of the conflict called a temporary halt to the issuing of D-certificates, was only prepared to issue these for government goods if the Ministry of the Colonies submitted a statement that the goods were destined for the public sector. The overall result, compounded by British interference, was extra delays and a less liberal policy. A senior civil servant in the Department of Agriculture, Industry, and Trade in the Netherlands Indies noted in February 1916 that goods in Holland ready for shipment to the colony had been refused a NOT certificate several times. One such instance concerned a shipment of cement ordered for harbour works in Makassar. The argument for refusing to sanction the shipment was that cement was also produced in Great Britain. Another concerned the pipes for the waterworks of Semarang. The Mayor of Semarang warned that without the new pipes contamination of drinking water could not be excluded. The obstruction of shipments of medicines or their ingredients and medical equipment, which the British Embassy claimed, according to the Dutch not always rightfully so, could also be provided (be it against a higher price) by

37 Note Pleyte, 9-2-1916, NA, Kol. Geheim, Vb. 20-1-1916 T.
38 De Kruijf to Director Department of Agriculture, Industry, and Trade, 17-2-1916, NA, Kol. Geheim, Mr. 1916/44x.
39 De Locomotief, 14-9-1916.
Great Britain attracted special attention.\(^{40}\) So it is no surprise, that in October 1916, *De Locomotief* called attention to the novelty that a clinic in Bandung had been equipped with an ‘artificial sun lamp’ which, it was said, could be used to treat tuberculosis, bone tuberculosis, skin diseases, and rheumatism. It was not only the first such lamp in the Netherlands Indies, it was also of German make and widely used by the German army to treat neglected wounds; ‘in case of extensive festering processes the ultra-violet rays have an anti-bactericide effect’. The reader could imagine how much trouble it had been to import the sun lamp under ‘the present very abnormal circumstances’.\(^{41}\)

To spare himself new embarrassments Pleyte instructed Idenburg that no orders for goods to be shipped from Holland should be passed without his Ministry being contacted first. The instruction did not go down well in the European community in Java; sure as people were that the mills of the government ground exceedingly slowly. *De Locomotief* pointed out that experience had shown that goods ordered through the Ministry of the Colonies took a long time to reach Java, even when they were urgently needed. To avoid the treadmill of bureaucracy, in the past orders had been placed directly with private firms in Holland. This had greatly speeded up delivery. Pleyte’s instructions would assuredly result in long delays.\(^{42}\)

On top of the restrictions on contraband trade came export bans to Holland and to the Netherlands Indies instituted in Europe and in Allied colonies. In some cases domestic want was the reason. In late 1914 and early 1915 Australia and British India banned the export of wheat for this reason. As a consequence the price of bread rose all over the Archipelago in March 1915. Complaints were once again heard in Batavia about loaves of bread becoming ‘smaller, drabber and more expensive by the day’. The same lament was heard in Medan. Loaves of bread there had become smaller and of poorer quality. Bengalis on the East Coast of Sumatra, who used to eat bread baked with Indian flour and could not afford European bread, had been forced to eat rice and dried fish. In Surabaya, army purchases of flour in August were blamed for the bad quality and high price of bread.\(^{43}\)

In other instances the ban was motivated by the fear that the goods might end with the enemy. An early example was rice. The French colonial authorities in Saigon decided to ban the export of rice to the Netherlands Indies at the end of January 1915. Exports to other countries were unimpeded. The announcement, an indication that France and Great Britain had stepped up

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\(^{41}\) *De Locomotief*, 17-10-1916.

\(^{42}\) *De Locomotief*, 26-1-1916.

\(^{43}\) *De Locomotief*, 27-8-1914, 19-3-1915, 20-3-1915, 24-3-1915.
their efforts to bring economic ruin upon Germany, came at an inopportune moment, but in the Netherlands Indies this seems to have been the rule rather than the exception. The 1915 rice harvest was expected to be late. Rice stocks were low. Idenburg and his staff were alerted to the ban by telegrams from rice traders. They were perplexed. Batavia had no inkling about the reason why Saigon had prohibited the export of rice, nor had the general public. One thing was sure: there had been no failure of the harvest in Indochina.

Suspecting that re-export to Germany might be the reason H.J. Lovink, head of the Department of Agriculture, Industry, and Trade, suggested to the rice traders that they should tell the authorities in Saigon that Batavia would guarantee that the rice imported would be used for local consumption only. Lovink’s suggestion was no full-proof solution. It was difficult to comply with the Allied demand. In the Netherlands Indies there was no institution comparable to the NOT which could keep a check on what happened to the rice imported. Others pointed out that fear about re-export could not be the reason. In Holland an export ban on rice was in force; in the Netherlands Indies a conditional one. They pleaded for an export ban on maize, beans and peas, and cassava. The destination of these secondary crops was not always clear, and they could only be exported in times of plenty when they did not have to serve as a substitute for rice.

Lovink had guessed right. A few days later the French Consul, Fliche, explained that Great Britain and France were concerned that rice grown in their Asian colonies would end up in Germany via the Netherlands Indies. Exports could be resumed when Dutch rice merchants in Indochina could produce a certificate issued by the French consulate in Batavia that the rice they wanted to buy would not be re-exported from the Netherlands Indies. Fliche added that his staff would only issue a certificate if they were presented with a guarantee by the colonial administration that the rice bought would be consumed in the Netherlands Indies. For a moment it appeared that the ban would be lifted before the end of January, but in the middle of February nine Dutch merchantmen still lay idle in the port of Saigon, because the export of rice still had not been resumed. Rice-traders asked Batavia to institute an export ban on Saigon rice.

The solution eventually found was that the colonial government promised dispensation on the ban in the export of rice from the Netherlands Indies would only to be granted for domestic rice, which could easily be distinguished from rice from Indochina by its grain. This decision seemed to do the trick. In March 1915 Paris indicated that it had given Saigon permission to dispense with the consular certificates. Nothing came of this. The screws were really turned as the British colonial authorities started to demand a certificate for the export of Rangoon rice. The French authorities in Indochina tightened the rules on 1 October 1915. They would only allow the export of rice for
which a consular certificate had already been wired by the French consulate in Batavia to Saigon. This was tantamount to a complete ban.

The news again came as a shock. Idenburg at once wired Pleyte to ‘obtain soonest abrogation exceptional measure’. The trepidations of August 1914 had reappeared. Before the war, between 2 and 3,000 tons of rice had been imported annually for Java alone. Emergency purchases of rice were made in Thailand. Again the local Dutch civil servants were given the authority to fix a maximum rice price. Fearing food shortages, Batavia granted almost no dispensation on its own ban to export rice.

The crisis lasted until April 1916 when Saigon agreed to allow exports of rice to the Netherlands Indies up to a volume equal to that of 1913. A special form had to be filled in by custom officers in the Netherlands Indies and sent to the French consulate acknowledging the import of rice from Indochina. Imports from Burma could be resumed in July, be it also in restricted quantities. The government of British India showed itself lenient. First, when the estates the East Coast of Sumatra complained that the restrictions would endanger their food supply, the region was allowed an extra quotum. Later, in October 1916 any restriction on quantities was lifted. There remained one condition. London was adamant that it considered the stock of rice in Holland sufficient and that it would put a stop to the export of Burma rice the minute Java rice was shipped from the colony to the motherland. The NOT had already refused any imports of rice from the Netherlands Indies in June. In 1915 over 33 million kilograms of rice had still been exported to Holland, but in 1916 the volume fell to about 10 million kilograms, and in 1917 to just 4 million kilograms. Saigon stuck to its policy of limiting exports to the Netherlands Indies to its pre-war level.

Another target of British bans was the coaling station in Sabang. Coal was scarce in the Netherlands Indies. An export ban had been issued in 1915. In October 1915 the colonial administration in British India indicated that it would only allow the export of Bengal coal to the Netherlands Indies on condition that ‘no coals of any kind or origin is furnished [...] to any vessel or firm the name of which is specially notified’. Though the Sabang Company complied with this condition, the export of coal from Bengal to Sabang was terminated in January 1916. In an attempt to have the ban lifted, the Sabang Company contacted the British consulate in Batavia. The Consul General suggested that the coaling station should make it clear that it was ‘a pure Dutch

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44 Pleyte to Loudon, 6-10-1915, NA, Kol. Openbaar, Vb. 6-10-1915 60.
46 Rijst 1919:666; Volksraad 1918:37.
47 Extract from the letter from the Adviser to the Head Administrator, 18-1-1916, NA, Kol. Openbaar, Vb. 14-3-1917 8.
firm, which had no Germans in its employ’. It should likewise promise that it would not supply coal to German ships. The hint was taken. The Sabang Company promised that it would not furnish coal to ships the British government did not want it to serve on 24 January. Five days later the ban on Bengal coals was lifted.

In Holland the Directors of the Sabang Company had no idea what had transpired in Batavia. They were sure that protests at the British legation in The Hague, at the India Office in London, and at the British Foreign Office had persuaded the British government to lift the ban. They thought that London had been sensitive to the argument that British ships bound for Vladivostok to deliver weapons and ammunition to the Russian army might be among the first ships which could not bunker at Sabang because of a shortage of coal. In actual fact the January promise in Batavia, made by their agent in Netherlands Indies, had caused the British to waver. It was followed by a second pledge

48 Extract from the letter from the Adviser to the Head Administrator, 18-1-1916, NA, Kol. Openbaar, Vb. 14-3-1917 8.
in March. The representative of the coaling station in Batavia vowed to the British Consul General that his company would ‘decline to fulfil orders to bunker any vessel of whatever nationality if so requested by His Majesty’s Consul General at Batavia’. The supply of coal for and the bunkering of ships of the Netherlands and other neutral countries had been secured. The price was that loading coal by German, Austrian, or Turkish ships and on those owned by companies which the Allies considered to support the enemy had become impossible. They were not only denied Bengal coal, coal mined in the Netherlands Indies were also now out of bounds to them.

Pleyte and Van Limburg Stirum were upset in June when they learned about the pledge the Sabang coaling station had made. They feared serious repercussions if German warships were to call at Sabang. The chance that this would happen was small, but could not be overlooked completely. The last German ship which had entered territorial waters was the Marie. She had supplied the German Army in East Africa commanded by Lieutenant-Colonel Paul von Lettow-Vorbeck, which was fighting a guerrilla war against South African, Belgian, and Portuguese troops. Chased by British warships and heavily damaged with parts of the deck shot away and the funnel and masts riddled with bullet holes, the Marie entered the port of Tanjung Priok in the night of 14 May 1916. The possibility that German raiders out to capture and sink Allied warships operated in the vicinity of or even in colonial territorial waters could not be excluded, even after the sinking of the Emden. In March 1917 British warships suddenly increased their patrols of the entrances to the Straits of Malacca and all lights which could be used by ships to navigate the Straits were extinguished. The Wolf, the former Hansa Line Wachtenfels, which had left Kiel in November 1916 had reached the Archipelago. The captain carried orders to disrupt British sea traffic by laying mines off Singapore and other British ports and to do his best to hamper Allied commerce by raiding and capturing or sinking Allied merchantmen. On board was a seaplane which flew over Sydney. A few months later, after the United States had joined the war, and in anticipation of this German ships had tried to leave the Philippines, the Rotterdamsche Lloyd received information from Osaka about another German raider operating in the Archipelago. It proved to be false alarm.

Van Limburg Stirum concluded that the vows had placed the Sabang coal-

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52 Halpern 1994:372-3; De Locomotief, 8-3-1917; Neratja, 22-4-1918, 23-4-1918.
ing station ‘under the dictatorship’ of the British Consul General. The demands of that gentleman had been excessive.53 Van Limburg Stirum expressed his ‘enormous surprise’ about the fact that the company ‘had apparently only been considering its own interests and had given no thought to national honour or its duties as a neutral’.54 Pleyte agreed. The Directors of the Sabang Company were unimpressed. They were convinced that their agent had had no other choice than to yield to British demands. They complimented themselves that pledges had made the bunkering of Dutch vessels with Bengal coal possible without interference from any British authority.55

Demanding export bans in the Netherlands Indies as a means of preventing transit trade became a standard procedure of Great Britain and France. Italy joined the van. Batavia had been forced to ban the export of car tyres in May 1915 to assure a supply of imports from Italy. A year later, in July 1916, Batavia even issued an export ban on ‘instruments for chemical and other applied science research of not native origin’.56 In the end, in March 1917, the colonial authorities forbade all exports of products which had been imported from abroad or goods made from such products. The maximum sentence imposed was a three-months’ imprisonment or hard labour, or a fine of one hundred guilders. The measure was not well-understood. No explanation had been given why. The editor of De Locomotief supposed that the government wanted to prevent that in times of international scarcity the commodities were re-exported to fetch a higher price abroad. Whatever the reason, he considered the ban typical of a ‘haughty and silent authority’.57 Exports bans were no longer issued. The opposite happened. The exceptions were announced, goods which were still allowed to be exported.

Great Britain and France also tightened their control on imports from the Netherlands Indies. Early in March 1915, the Dutch commercial community in the Netherlands Indies had been shocked by the news that France would only allow imports from the Netherlands Indies if a certificate of origin was submitted which made it clear that the goods in question did not originate from the Central Powers. Another document, a certificate of nationality, to be issued by the French consulate in Batavia had to confirm that the companies which exported and transported the goods were not owned by Germans or Austrians. Nor should Germans or Austrians have majority shares in such

53 Viethoff to Zeehaven en Kolenstation Sabang, 29-12-1916, NA, Kol. Openbaar, Vb. 14-3-1917
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56 De Locomotief, 21-7-1916.
57 De Locomotief, 15-3-1917.
companies. The British ‘Rules of Trading with the Enemy’ also required a certificate of origin.

Great Britain and France announced even stricter rules about trading with enemy companies in neutral countries in February 1916. Firms in neutral countries were warned that they had to sever all ties with enemy companies. The following month it became known that the British War Trade Department had compiled a statutory list, a blacklist containing the names of firms which had not complied. The French and Italians took over the British blacklist. Nevertheless, almost all attention and also all the anger in the Netherlands Indies centred on that compiled by the British. For the Allied warships in Europe and in the Archipelago the black list implied a new task. They were no longer only on the look out for enemy agents and contraband, but also for cargo originating from or shipped to black-listed firms.

Overnight reports appeared in the press in the Netherlands Indies about Dutch companies which had fired German employees because, had he not done so, British firms would no longer do business with them. Newspapers in Holland and in the Netherlands Indies published the first ‘black list’ at the end of March 1916. At the same time the British Consul General left no stone unturned to ensure that commercial firms and banks were well acquainted with the purport of the Allied economic directives. Beckett himself preferred to speak about providing ‘exhaustive explanations’. He provided these ‘with pleasure’.\(^{58}\) Beckett promised that local sensitivities would be spared and that ‘bona fide’ Dutch trade would not be hurt. His words did not make the British interference less vexatious. In 1917 the Javasche Bank concluded that the blacklist, on which the companies which had incurred the wrath of France and Great Britain were noted had ‘only aroused bitterness, because it was generally felt that one was being treated unfairly’.\(^{59}\) Being black-listed meant a boycott by Allied firms, who when they traded with black-listed companies were liable to be fined, and by Dutch companies which feared that otherwise they themselves would suffer the same fate. Dutch shipping companies in the Netherlands Indies refused to transport merchandise, suppliers stopped delivery of goods, and customers stayed away. If a company did not want to run the risk of losing its commercial raison d’être, it had to sever all contacts with a black-listed firm. Cable and mail correspondence should also be terminated. At least one Dutch commercial firm, aware that correspondence with German firms was not allowed, even inquired in London whether it was still permitted to address one last letter to a black-listed company. It wanted to ask its former business partner to stop sending letters or telegrams. Were this not

\(^{58}\) *De Locomotief*, 15-3-1916.

\(^{59}\) *De Indische Gids* 1917, II:1430.
permitted, there was no guarantee that the company no longer received mail from the black-listed firm.\(^{60}\)

It cannot have come as a surprise that Behn, Meyer and Co. and the Straits und Sunda Syndikat were among the first black-listed companies published in the Netherlands Indies. Among the ten firms in Batavia which were mentioned were also the Société Coloniale Indo-Belge, and three Chinese companies. In Medan and Palembang altogether seven firms were blacklisted, in Makassar three. In Semarang one company was on the first list. It was the well-known firm of Carl Schlieper, active in the Netherlands Indies since 1870, and one of the major importers to the colony of machine parts.

The black list was not restricted to fully German- or Austrian-owned companies or companies doing business with them. The same fate befell firms in which Germans or Austrians made up one-third of the Board of Directors, or held one-third of the share capital issued. One of the consequences was that for trade with Great Britain and France a ‘certificate of interest’ to be issued by the Allied consuls was required as from September 1916. To obtain the certificate, a company had to submit a list of its commissioners, directors, managers, and senior staff, complete with copies of their birth certificates to prove their nationality.

To contain the damage, Behn, Meyer and Co. and the Straits und Sunda Syndikat established their own insurance company, the Javasche Lloyd. They did so in conjunction with ‘Chinese friends’. Dutch firms were no longer prepared to insure their goods and property (Helfferich 1967:152). The two companies also founded an estate product bank.

Companies could be removed from the black list, but the opposite happened much more frequently. In the course of time, other companies were added. Even the newspapers the Java-Bode and the Bataviaasch Handelsblad were black-listed. They no longer received Reuter’s telegrams. When mail was searched in British ports copies of the Bataviaasch Handelsblad, and probably also of the Java-Bode, were confiscated. The mail boats were not allowed to take them along to Holland. It was reported from The Hague as early as August 1916 that neither the Minister of the Colonies nor any private person received the Bataviaasch Handelsblad any longer.\(^{61}\) The Ruygrok Company, the printer of the Bataviaasch Handelsblad, was also put on the black list. Among the other victims of the trade boycott was Erdman and Sielcken, a major exporter of Java sugar and active in the Netherlands Indies over fifty years since 1865. Like other firms in the Netherlands Indies, it had a German name. Its senior

\(^{60}\) There was also a Private List B, a so-called grey list. Trading with companies on this list was forbidden, but correspondence was still allowed. The British mail boats would not accept such correspondence, but the British censor let the letters pass, in theory at least.

\(^{61}\) De Locomotief, 7-8-1916, 10-10-1916.
partner, F.A. Warnecke, was a naturalized Dutchman. Of the three junior partners, who were all long-time Resident of Java, two were Germans. The third had been deprived of his German nationality. Efforts by the Dutch Envoy in London to annul the listing failed. An additional problem, and the reason for The Hague to take action, was that Erdman and Sielcken acted as the manager of four Dutch-owned mines. Because of the black-listing of Erdman and Sielcken, these mines, with no Germans but only Dutchmen, Britons, and Swedes among their employees, ran into serious problems. They could no longer obtain spare parts for their machinery. Closure threatened, with all the consequences this would have for their employees and the local population. London was unrelenting. The only solution it was prepared to suggest to the Dutch government was that the mines had to find another company to take over their management.

The black list struck terror in the Dutch commercial community in the Netherlands Indies. In some instances ‘the mere denunciations of spies’ seemed to suffice to be black-listed (Carpentier Alting and De Cock Buning 1928:69). Commercial firms and estates dismissed their German staff. This was repeated at headquarters in Holland. This was not done without some qualms, because of uncertainty about how Germany and the German community would react. British firms and estates which had not yet fired their German employees now did so. They seem to have done so with some reluctance. In the notices to British employees, the companies expressed their regret and wrote that the reason for the dismissal had nothing to do with performance (Helfferich 1948:213). In reaction German-owned firms and estate replaced Dutch, British, and French staff with Germans. Not everywhere did peace reign. The black-list induced an employee of the French consulate in Surabaya to ask the French barbers in town – there were many French barbers in the Netherlands Indies – no longer to serve Germans. He, and the Dutch press did not fail to notice that he was of German descent, could not stand being with ‘those awful boches’ in one hairdresser’s salon. Confused the barbers turned to the French Consulate General in Batavia, wondering whether they would be included on the black-list if they had Germans among their customers. The only sector which seemingly was not affected was the entertainment industry. Dutch shipping companies refused cargo from black-listed companies. In Surabaya the Droogdok Maatschappij, the company that managed the only large dry-dock in the Archipelago, refused its services to German vessels which were stranded in the Netherlands Indies. As in the case of the Sabang

63 Bataviaseh Nieuwsblad, cited in De Locomotief, 16-6-1916.
coaling-station, the colonial authorities viewed the decision with apprehension. The decision of the dry-dock company not only gave an indication that it was the British who in the final resort determined the running of colonial trade and industry, but, as had been feared with respect to Sabang coal, the refusal to dock German ships might well be interpreted as a breach of neutrality. Batavia was powerless. The dry-dock company had just recovered from a difficult time. Forcing it to accept German ships might result in a boycott and a halt to the supply of spare parts and equipment.\textsuperscript{64}

The black list was grist to the mill of a few rabid Germanophobes. It inspired Boon of the \textit{Soerabaiasch Handelsblad} to suggest that no facility should any longer be lent to the German business community in the Netherlands Indies. Boon wrote that Germans did not deserve any help. In Belgium the ‘business scoundrel’, the German, has shown himself to be unworthy of any help. In deciding how to act with the prospect of British retaliation and the looming loss of the colony, this had to be given priority. To continue to deal with the German business community was dangerous.\textsuperscript{65}

Boon formed an exception. Usually the reaction was one of anger, directed especially towards the British and less so towards the French, or, failing that, of helpless acquiescence. The Dutch government and the Dutch business community had to stand idly by. Washington, among other things enraged over the fact that in the Philippines firms with a German management but with no German capital had been blacklisted could threaten with a ban on loans to the Allied countries, but Batavia lacked any leverage to make London change its mind.\textsuperscript{66} The only thing the colonial government could do was to continue to support black-listed firms whenever possible. After the war Emil Helfferich praised the Javasche Bank which had not changed its credit policy for German estate companies, even assisting them when possible (Helfferich 1948:302, 1967:151-2). In an initial reaction \textit{De Locomotief} wrote that though trade might be seriously hurt by the British policy and Dutch feelings were offended, the only reaction could be ‘proud resignation’.\textsuperscript{67} The newspaper saw the calls in the British press for ever stricter control of neutral trade as merely proof that British newspapers had turned into ‘zealots of commercial jingoism’.\textsuperscript{68}

Everybody was fully aware that the British and French consuls, especially the British Consul General, had the final say and that it was on their information that London and Paris based their decisions. In Helfferich’s words, the British Consul General attained the function of a controller of trade and

\begin{thebibliography}{9}
\bibitem{64} Advice General Adviser harbour-works, 7-1-1918, NA, Kol. Geheim, Mr. 1918/42x.
\bibitem{65} Soerabaiasch Handelsblad, cited in \textit{De Indische Gids} 1917, II:1115.
\bibitem{67} \textit{De Locomotief}, cited in \textit{De Indische Gids} 1916, II:998.
\bibitem{68} \textit{De Locomotief}, 29-3-1916.
\end{thebibliography}
The consequences of economic warfare

export dictator (Helfferich 1921:16). In spite of the feelings of impotence, the British effort to hurt German commercial interests in the Netherlands Indies did result in a protest. In February 1916 a former banker, Jan Dinger, member of the Chamber of Commerce of Batavia and owner of a number of sugar estates, placed an appeal in the Batavian newspapers asking people to attend a ‘peaceful meeting’ in Batavia to demonstrate against ‘the action of foreigners who enjoy the right of being a guest here, of which the purpose is preventing our German co-residents to exercise honest and peaceful professions’. Dinger’s initiative was wholeheartedly supported by the pro-German Bataviaasch Handelsblad. Its editor, Th. Thomas, used the occasion to lash out at the British. The Bataviaasch Handelsblad observed that the consuls increasingly acted as an independent power, as an imperium in imperio. The ‘British Consul acts in a way which offends and hurts every patriotic Dutchman’. The Bataviaasch Handelsblad urged the government to do something and to protect the rights of everybody who lived in the Netherlands Indies. The burning question was, where would it end? Tokyo might demand a Dutch firm fire its Chinese employees. The Bataviaasch Handelsblad concluded that a little more refered to the Dutch government was called for. Great Britain had the right to forbid British companies to trade with the enemy, but should not try to enforce its will in the Netherlands Indies. Oetoesan Hindia fully concurred. The Bataviaasch Handelsblad suggested prohibiting the export of sugar to Great Britain and have British ships which had come to the Netherlands Indies to transport sugar leave with empty holds a few weeks later. For some this went too far. De Locomotief pointed out that this would cost money, and, being more dangerous, might be considered a hostile act by London.

In an effort to forestall complications the authorities forbade nationals of the belligerents to attend the meeting, which took place on 27 February. Sarcastically an inhabitant of Batavia noted in De Locomotief that also Bulgarians, Montenegrins, Serbs, and Albanians, were also consequently barred from access. About one hundred and fifty people, or ‘independent men’ as Dinger called them, attended. Dinger told them that the British black-list meant an infringement of national dignity. The Dutch should remain master in their own house. A letter was sent to Beckett asking him to treat ‘our German co-residents’ with more clemency, and to take into account the rights of the Dutch in their own country. Beckett was unrelenting. Though he said that he had ‘the utmost regard for the feelings and susceptibilities of our good friends the

69 De Locomotief, 24-2-1915; Bataviaasch Handelsblad, cited in De Indische Gids 1916, I:786.
70 Bataviaasch Handelsblad, cited in De Indische Gids 1916, I:790; Oetoesan Hindia 1-3-1916.
71 De Locomotief, 25-5-1916.
72 De Locomotief, 4-3-1916.
73 De Locomotief, 28-2-1916.
Dutch’, he explained that it was his duty to provide his government with information about people and firms ‘to whom, owing to their enemy nationality, or their close connection with enemy interests it is advisable that British subjects should not afford any assistance or support by engaging in commercial or other transactions with them’.\textsuperscript{74} Enthusiasm to take a common stand against the British measure soon evaporated. A second meeting organized by Dinger on 2 April attracted only forty people. It ended in discord, partly because of the support the Bataviaasch Handelsblad had given Dinger’s effort.

As had already become evident from the conditions imposed on the Sabang coaling station, British consular agents did not stop at reporting to London which firms had to be black-listed. They began to interfere directly in the business affairs of Dutch companies. In May 1917 the Director of the Dutch company H.N. Smalhout and Co. was summoned to the British Consulate General in Batavia to give a clarification of the trading activities of his firm. Smalhout was sure that the Consul had been alerted by ‘a competitor with very little morality and filthy principles’. Smalhout was subjected to what he called ‘a complete interrogation, such as that only a examining judge can subject an accused to’. He had not dared to ignore the summons. Had he done so his company would have been entered on the black-list and would ‘no longer receive letters or telegrams, while not a single shipping company and above all the Dutch companies accepted goods from black-listed firms’.\textsuperscript{75} At the consulate Smalhout was questioned about thirteen crates of equipment for the printing industry, most of German make, which he had taken along as his personal luggage and not as freight the previous year. Smalhout was able to explain that he possessed a NOT certificate. Not much later, the British deputy Consul in Medan alerted the local Planters Committee that its representative in Swatow was suspected of ‘consorting with the enemy’ and that this could have ‘unpleasant consequences’. To the annoyance of the authorities, the committee reacted instantly. It concluded that the heart of the problem was the fact that Dutch consular agents had been assigned to represent German interests in China; which was also a source of strained relationships between China and the Netherlands. The Medan Planters Committee asked the Dutch Consul General in Hong Kong to allow its representative to resign as Acting Dutch Consul in Swatow.\textsuperscript{76}

\textsuperscript{74} De Locomotief, 15-3-1916.
\textsuperscript{75} Smalhout to Attorney-General, 11-5-1917, 6-6-1917, Smalhout to Beckett, 11-5-1917, NA, Kol. Geheim, Mr. 1917/111x.
\textsuperscript{76} 1st Government Secretary to Planters-Comité, Planters-Comité to 1st Government Secretary, 11-9-1917, NA, Kol. Geheim, Mr. 1917/229x; Idenburg to Van Limburg Stirum, 9-12-1918, NA, Kol. Geheim, Vb. 9-12-1918 O10.