chapter xviii

The end of Dutch international shipping and trade

In the course of 1917 people in the Netherlands Indies became increasingly alarmed about what the future would bring. ‘Imagine’, the Director of the Colonial Civil Service had posed in January 1917

what will happen when all imports and exports come to a halt because of the isolation from the outside world, [...] the repercussions for the centres of trade and industry, the population compelled to stay alive by planting all available land with foodcrops only, the almost complete unemployment of the European and Chinese populations, and the increasing multitude of Natives who no longer make a living from handicrafts, precisely the so-called intellectuals whose influence on the population is great.¹

He gloomily predicted that Java would survive only for a few months. The collapse would be accelerated by social unrest. The same scenario was envisaged for the north of Sumatra. Isolated and deprived of rice from Java, the estate region could not hold its own for long.

Though the possibility that the Netherlands would be drawn into the Great War was on everybody’s mind at the beginning of 1918, it would not need war to bring about the ruination of the colony. The disappearance of foreign markets and the disruption of sea transport could achieve the same miserable outcome. The Jember Association of Agriculture and Industry noted that 1918 had ‘started so sombrely that – it could be said – it can bring no disappointments’². A report about the sugar industry for 1917 predicted that if the war did not end soon ‘unprecedented misery’ would be in store.³

Others calculated the financial consequences of a collapse of the agricultural export market. Huge amounts of money would be withheld from colo-

¹ Quoted in Bron to Van Limburg Stirum, 15-5-1917, NA, Kol. Geheim, Vb. 3-5-1918 O4.
² Report 1917 Vereeniging van Landbouw en Nijverheid te Djember, cited in De Locomotief, 16-4-1918.
³ De Locomotief, 25-6-1918.
nial society if wages and taxes could not be paid by the estates, or had to be expended without being compensated by income. Sixty-five million guilders were paid out in wages in the sugar industry each year. Annual expenditure for wages in coffee, tea, and tobacco amounted to 4 million guilders (Cramer 1917:407-8). The only bright side was that ‘neither education of children nor position [to keep up] nor fashion’ would make it extra difficult for the indigenous population to make ends meet if they became unemployed or had to cope with a drop in income.

The entry into the war of the United States had added to the gloom. It meant that the alternative trading links established by the commercial world in the Netherlands Indies to compensate for dwindling trade with Europe came under threat. The consequences could be severe. The United States and Japan were the only remaining export partners of any significance. Not taking sugar into account, the United States was good for more that half of the market of the Netherlands Indies. Almost the entire rubber export went to the United States.

In early 1918 the capital tied up in stocks of colonial products stored in the Netherlands Indies because they could not be shipped had reached an

4 Regeering 1919:10, citing a report by C. Lulofs and L. van Vuuren about the food situation in the Netherlands Indies; Bezwaren 1919:673.
5 Sumatra Post, cited in De Indische Gids 1918, I:492.