

INSTITUTE OF CURRENT WORLD AFFAIRS

Hotel de Boer
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Indonesia
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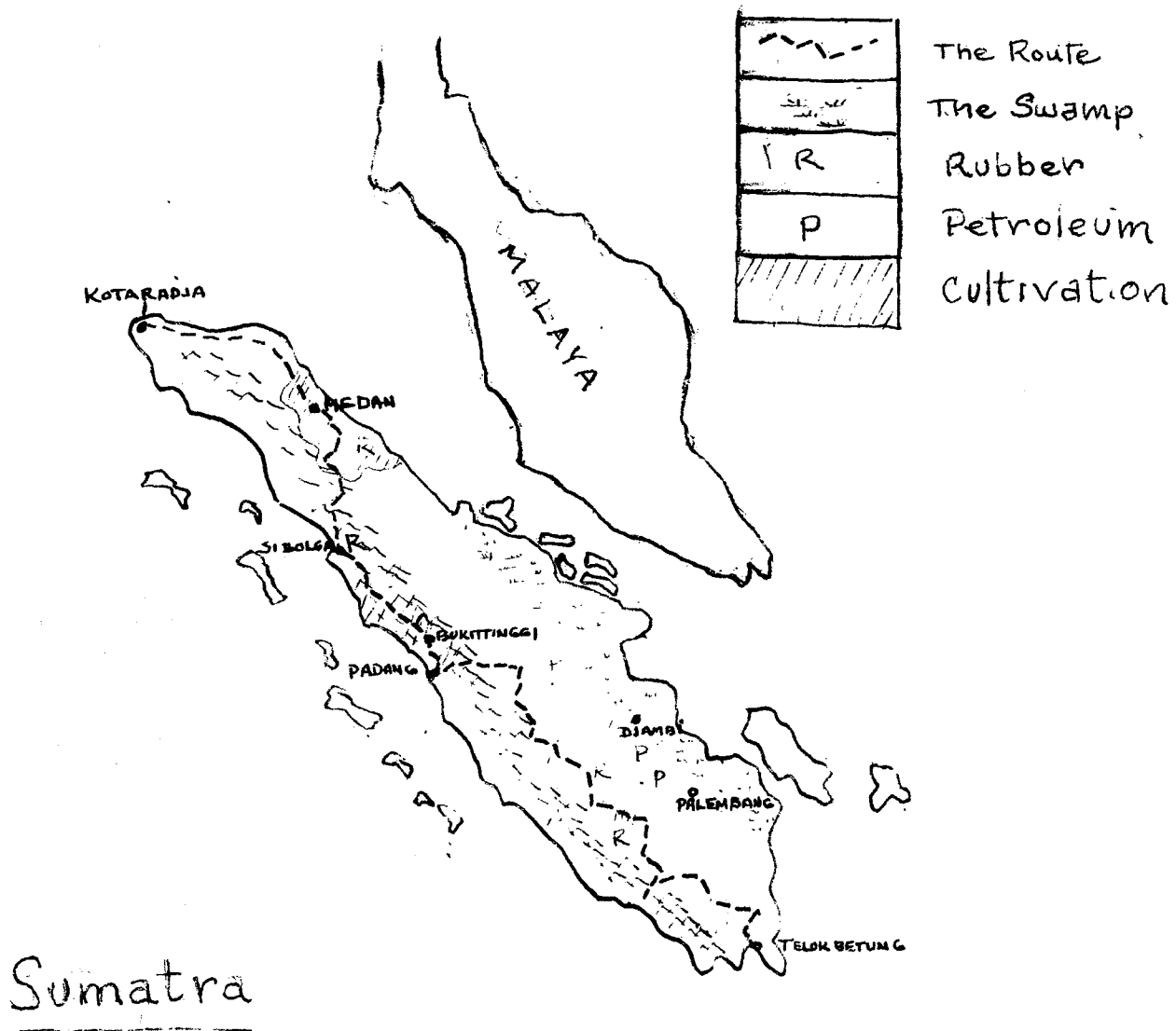
Dear Mr. Rogers:

Many young Indonesians are anxious to travel in Europe or the United States and marvel at the great modern world outside. I think they would do just as well to travel in Sumatra and see the great challenge of their own future. Indonesians call Sumatra the "Isle of Hope," and it is an apt title for this vast land. Sumatra's plains, mountains, and forests contain natural riches in great abundance. Like Brazil or Mindanao, this island is one of the world's last great frontiers.

How is this challenge being met by Indonesia, a state now in its fourth troubled year of existence? A balanced answer to this question will only become apparent in the years ahead, but I suggest that the question itself is more important than many others which receive more attention. Certainly, the development of the American West gained an eventual historical importance far greater than the confusion and corruption of the national administrations in the years preceding the Civil War.

I have just completed a three week jeep ride 1500 miles through the heart of Sumatra. My overwhelming impression--necessarily a quick and superficial impression--is that the heralded wealth does in fact exist and that Sumatra does not lack energetic, intelligent, and devoted leaders for the tasks of exploitation and development. Some of the greatest obstacles to development can be called legacies of the Dutch era: the serious lack of administrative and technical skill, the absence of native private capital, or the instability of national finances which plays havoc with state planning. Other aspects of the colonial inheritance are definite assets, such as the methodical, careful approach to the planning and execution of transmigration from overcrowded Java. Despite unfulfilled hopes, progress is impressive, and there is a great deal of contagious optimism on that long road from Teluk Betung in the south to Medan in the north. Sumatra is very young.

Sumatra's area is just under 170,000 square miles, almost the size of prewar Germany. The island is nearly 1100 miles long and is cut in two by the equator. The backbone of Sumatra is the Bukit Barisan mountain range which runs the length to the island close to the Indian Ocean shore. There has been considerable volcanic activity in the Bukit Barisan in the past, but its major cones are now quiet. Lava flows have generally been of acidic composition and will not support the truly phenomenal rice culture of the basic lavas of Java and Bali. An exception is the rich Minangkabau highland area in Central Sumatra.



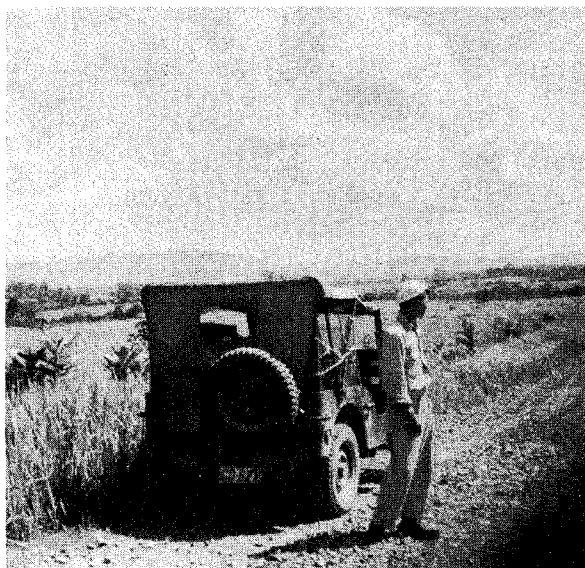
The greatest area of Sumatra is the long, jungle covered plain which stretches down from the Bukit Barisan to the Straits of Malacca in the east. In the piedmont areas behind Palembang, Djambi, and Pakambaru, the plain hides rich oil reserves. Up north behind Medan, a part of the plain has been intensively cultivated in rubber, tobacco, palm oil, and coffee estates. Farther south, limited areas are planted in native rubber and food crops. The rest of the area is heavy jungle with a sprinkling of treeless grasslands. Some of these relatively open regions, such as the upper valley of the Batang Hari river, could be opened to settlement without a great deal of preparation. The vast coastal mangrove swamp which borders the eastern plain is almost imperceptibly being filled in by the sediments carried from the highlands by Sumatra's broad, slow rivers. Thus, the major east coast ports can only be located far up the navigable rivers.

These water highways are still a major network of transportation. Skimpy road systems exist, clustered in the population centers Lampoeng-Palembang, Minangkabau, and the East Coast around Medan. The single roads connecting these areas are adequate for light traffic and receive considerable care, considering the limited public works budget. If pressed, a traveler could drive the length of Sumatra in seven days, but he would be dazed and pretty well shaken up after completing the foolish enterprise. Along these rutted roads, hundreds of privately owned passenger buses are daily tightening the bonds between Sumatra's separate regions.

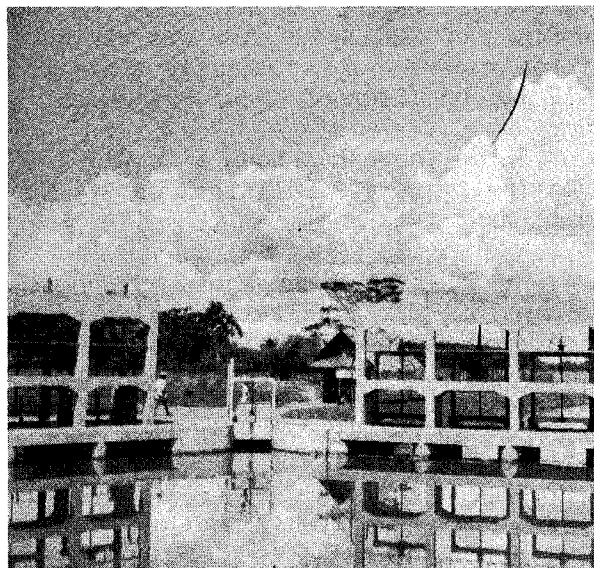
The pattern of Sumatran development is being determined by the networks of roads and irrigable river valleys, and by the location of rich natural resources, such as the volcanic soil of the Minangkabau highlands, the coal deposits at Muara Enim, or the potential hydroelectric power of the Asahan river falls. Thus, like the Dutch government before it, the Indonesian government will play a decisive role in plotting the growth of Sumatra through its control of public works and irrigation, agricultural credit, transmigration, oil contracts, and power exploitation. It seems likely that the nature and importance of these public tasks will encourage the development of a more thoroughgoing socialism in Indonesia's economic future. The typical Sumatran pioneer is the public works official, the district officer in a remote area, or the Javanese farmer who has been brought by the government to a carefully planned village in the south.

The resource most lacking in Sumatra is people. The island's population is estimated at anywhere from nine to twelve million inhabitants, most of whom clustered in four or five centers of development. The greater part of this figure represents population growth during the recent Dutch era, though there is historical evidence of flourishing civilization on Sumatra in the first centuries of the Christian era.

There have been four main actors in the pre-Dutch history of Sumatra: the kingdoms of Atjeh in the north, Tapanuli in the north central highlands, Minangkabau on the west coast, and Palembang in the south. Their cultures are distinctive, but I believe that the



The Empty Center of Sumatra



Irrigation in South Sumatra



similarities have been greatly understressed by scholars too eager to differentiate. Perhaps J.S. Furnivall came closest to the truth when he said, "There is much diversity, but, broadly speaking, it is diversity in unity..." The Sumatran peoples probably represent branches of a later migration from the mainland of Asia than do the people of Java. In the Palembang region, the physical types are strongly mongoloid, while in Atjeh there are physical indications of contact with India and the Arabic world. The ancient kingdoms of Sumatra were for the most part seafaring and trading powers. Many centuries of intensive cultural exchange have broken down differentiations within Sumatran and between the island and the world of South Asia.

The Coastal Swamp

the final incorporation of Sumatra into the Netherlands Indies, which was only completed in this century.

The principal unifying forces in Sumatran history have been the Hindu-Buddhist cultural invasion of the first eight centuries A.D., the coming of Islam after the thirteenth century, and

Traces of Hindu-Buddhism can be found in the customs of many parts of Sumatra, though it has all but disappeared as a formal religion. Outside of the Christian areas of central and northern Tapanuli, Islam is now dominant. Each village has its mosque or prayer house, and the larger towns boast a variety of Moslem social and educational organizations. While the remnants of Hindu-Buddhism are vanishing, the influence of Islam becomes steadily stronger, especially since the creation of the Ministry of Religion with its hundreds of local branches.

So there has been a considerable basis for cultural unity in Sumatran history. Political unity, however, was never achieved until the Dutch era.

It was a Minangkabau-Atjehnese war which gave the Dutch East India Company the opportunity to build its first forts on the west coast in the middle of the seventeenth century. For the next two hundred years, Java remained the main area of Dutch exploitation. When Sumatra was finally "opened," it was largely because of economic pressures in Europe, where the rise of private mercantile and banking fortunes demanded a Liberal policy in the Indies. In 1870, a new agrarian law was passed permitting foreigners to lease large tracts of land for estate crops; the gate was lifted for the flood of Dutch and foreign capital which was to pour into Sumatra. A pre-condition of economic penetration was of course the systematic extension of Dutch political control. One by one, the Sumatran

kingdoms fell under complete Dutch control. The process was only completed when the Atjehnese War ended in 1903. The form of Dutch rule remained indirect, but control was as intensive as necessary for economic exploitation.

The first rubber, coffee, and tea estates began to operate in the first decade of this century. Oil Palms were only transplanted from West Africa during the First World War. Thus, Sumatran development is decidedly a twentieth century phenomenon. The growth of the rich East Coast around Medan parallels that of the Southern California plain around Los Angeles.

By 1940, Sumatra had become by far the most important source of revenue for the colonial government and profit for Dutch capital. In addition to the rich estate economy, a profitable oil industry had developed, two major coal mines with extensive low grade reserves were functioning, cement was being produced near Padang, and many of the valuable export crops (particularly rubber) were being grown in large quantities by smallholders near Djambi and Palembang. Over a quarter of a million farmers had been moved from overcrowded Java to the Lampong area, where transmigration centers had been carefully prepared for irrigated rice culture.

The development of Sumatra under Dutch rule was swift, yet only four per cent of Sumatra's total land surface has been cultivated in estates. In Lampong the tourist can see old and new transmigration centers with their well-constructed irrigation systems and extensive rice fields, but the overwhelming impression even in Lampong is of great tracts of unchallenged jungle and untapped rivers. Native rubber plantings in the south are important as a source of income for the people and the government, yet they occupy only a fraction of the expanse of the eastern plain. Although Sumatran rice production is now close to two million tons, over sixty per cent of the island's area is still covered by virgin forest. The tropical forests with their valuable hardwoods, resins, and gums have hardly been touched.¹

Sumatra contains the promise of an even richer export economy and food production that will at least cover its own needs. The possibilities of heavy industrial development, however, should not be exaggerated. Iron resources (mainly near Tandjung Karang in the south) are very limited, and the considerable reserves of coal at Muara Enim are not of coking quality. Light manufacturing and processing industries are indeed practicable, but the role of Sumatra will almost certainly be that of a producer of primary materials.

1. The Dutch colonial government began to exploit the pine forests of Atjeh in 1930. According to J.H. Boeke (The Evolution of the Netherlands Indies Economy, New York, 1946, p.83.), 5,800 tons of resin and 1300 tons of turpentine were produced in 1939.

Will the promise of Sumatra be fulfilled? I know Dutch business who hold the opinion--almost a faith--that Indonesia will fail to meet her challenges and that rich regions like Sumatra will drift into disorganization without their guidance. In the extreme Indonesian view, Sumatra is some sort of magic charm that will give forth industrial and social wonders when rubbed lightly. The in-between view, held by most of the officials I met during my trip, is that Sumatra's promised riches will only be attained through long years of devoted work.

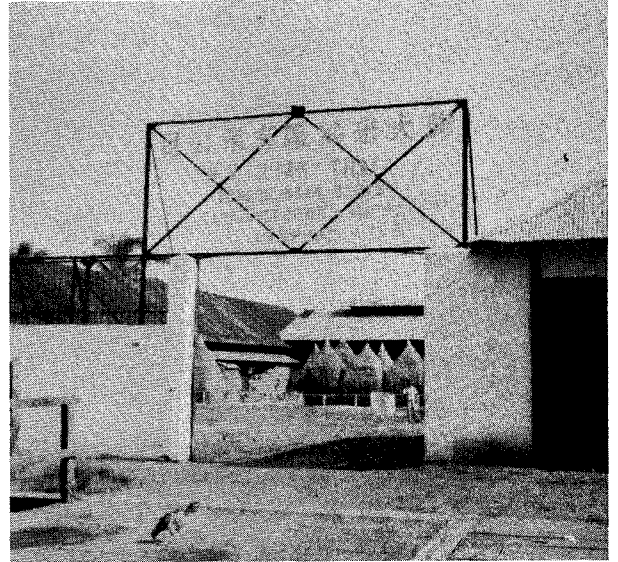
Indonesian administration of Sumatra has already accomplished a great deal in a difficult situation. The Japanese occupation and the four year struggle with the Dutch left the economy of Sumatra in a desperate state. In four years of independence, a functioning government has been established, order has been created out of confusion, a huge though rudimentary school system has been set up, a vigorous labor movement has blossomed (partly to the detriment of primary production), food production has reached or surpassed prewar levels, and many roads and bridges have been built or repaired. Estate production is generally far below prewar peaks, but this is the result of many factors in addition to the often-criticized pressures of left-wing labor. Even assuming that estate owners had been permitted to reinstitute the oppressive prewar labor conditions, it is hardly likely that former levels of output could be achieved quickly. Even though the structure and methods of government are now strongly reminiscent of--sometimes identical with--those under Dutch rule, Indonesian paternalism cannot express itself in the same arbitrary way. Political power has been too far dispersed, and revolutionary social ideals still demand allegiance.

It is not likely that the level of efficiency and rationalization of the old Dutch regime will be soon equalled by the Indonesian government. The prewar Netherlands Indies was a unique example of intensive and thorough colonial administration. It is remarkable that the new government, for all its inexperience and fumbling, has been able to come so close to previous standards in such a few years.

The door to Sumatra's future can only be opened by an energetic populace and imaginative leadership. I think it is because Sumatra was only brought under firm colonial control in this century, that you seldom see bowing obsequiousness and that indolence which is bred in large part by blocked personal opportunities. In Java the habits of the feudal and colonial past die hard, for many of the conditions of the past survive. It is at least possible that Sumatra's unique type of frontier environment is producing an energetic, rough, slightly irreverent type of individual who will profoundly affect the future history of Indonesia as a whole. I only say this because evidence is already seen everywhere in Sumatra, in officials who don't take the long afternoon nap, who dream outlandish dreams about swamp drainage, new schools, or doubled rice production, and then take positive steps (often unsuccessful) to the limit of their technical skill and material means; it is seen also in the attitudes of farmers who move a hundred miles to find a better opportunity and small citizens who don't call their officials "Papa." But these are only hints.



Rubber Slabs Drying Near A
Native Hut



A Chinese-owned Rice Mill

There is an obvious need to professionalize the Indonesian bureaucracy which now consists largely of administrative amateurs, but it is also desirable to ensure an invigorating amount of vertical social mobility so that opportunities to rule and administer are not limited to a small parasitic caste. Part of Sumatra's promise is that its social environment is apparently freer of obstacles than Java's.

My impressions lead me to believe that the following factors are influencing and will continue to influence Sumatran development:

(1) Development will be guided and controlled by the government. The most striking example of this is controlled transmigration, in which the Indonesian government is following the example of its predecessor. Village sites are prepared, irrigation planned, decent roads built, and other arrangements made before the transmigrating farmers and army veterans arrive. Last year over fifty thousand Javanese settled in South Sumatra and the rate of transfer will probably increase.

Government initiative is also taken in state experimental farms and livestock ranches, the cooperative movement, the anti-illiteracy program, and many other fields. The guiding hand of government is seen everywhere.

(2) The cumbersome structure of government is a major obstacle to development.

In any kabupaten--the basic unit of administration--the vital work of irrigation enters the competence of three bodies which are independent

in responsibility and budget: the kabupaten office, the Ministry of Agriculture branch, and the Ministry of Public Works branch. No satisfactory coordinating body exists. Only the most dynamic Bupati (kabupaten chief) can work his way through this maze of conflicting spheres.

In a North Sumatra kabupaten, I heard two officials from the Ministry of Communications and Ministry of Public Works arguing, each claiming that the initiative in certain road improvements should be taken by the other. Peace was restored when they finally agreed that it was actually the responsibility of a third party, the Bupati.

The evolving administration is obviously overexpanded. The positive social philosophy of the Indonesian state demands a large government, but under present conditions mere size presents more problems than it solves. The Indonesian officialdom, however, represents the most powerful native vested interest group; it will hardly welcome any reduction in its ranks.

In several districts in Sumatra, I found a seemingly effective degree of cooperation between the civil government, the state police, and the army. Although informal liaison is good, the three powerful groups are completely independent organizationally at the provincial and kabupaten levels. At its best, this tripartite split works to prevent the accumulation of power in the hands of a local boss or would-be warlord. At its worst, it can give rise to the poor coordination and jealousy that has been evident in the troubled regions of Java.

Fortunately, there is no rebellious activity or large-scale banditry in Sumatra today, a matter of great pride to Sumatran officials. One high police officer praised security conditions with this nonsense: "If you leave a bicycle unattended in Java for three minutes, it will be stolen. But in Sumatra, if you leave a bicycle unattended for a month, you will find two bicycles in its place."

(3) Regionalist sentiment will remain strong. It would be a mistake to equate the admittedly strong regionalist feeling in Sumatra with outright separatism. A resentment against "Javanism" or "Djakartaism" exists, and there are people who dream of a Sumatran state, many of them foreigners. But my talks with Indonesians lead me to a temporary conclusion that nationalist sentiments are currently strong enough to cancel out all possibilities of secession under foreseeable circumstances. Complete regional autonomy is still associated with Dutch rule and the former federal state, created and dominated by the Dutch.

The picture often painted of a horde of Javanese officials ruling the masses of resentful Sumatrans is completely false. Almost all the officials I met on my trip were born in the province where they are now serving. Officials of Javanese origin are rare indeed.

Many Sumatran officials complain about the state budget, particularly the fact that revenues which originate in Sumatra are spent in Java. But this is an openly expressed complaint and not a hidden sore. "Indonesia" is

certainly a more important word here than "Sumatra", as evidenced by the great numbers of students who want nothing more than to study in Djakarta or Djogjakarta.

The key to separatism would seem to be the army. In the vital province of North Sumatra, commanding officer Simbolon remained completely loyal during the October 17 crisis. The basis for separatism, or even Warlordism, seems to exist in a much more dangerous form in East Indonesia and East Java. If a basis for separatism already exists here, it is not yet a problem of decisive importance. There will, however, be a continuing demand for greater autonomy in matters of administrative decision and finance.

(4) The position of foreign capital in Sumatra is powerful and will continue to remain so if political conditions permit. Government regulations on labor and the transfer of profits have made continued operation of the estates and oil fields attractive, though less lucrative than in the past. Current thinking in the Cabinet, the ministries, and the huge Masjumi Party seems to favor a continuation of this situation, largely because of the considerable government revenues which originate from foreign enterprises. The PNI (Indonesian Nationalist Party) and PKI (Indonesian Communist Party) take a strong position stand against the powerful foreign economic interests, but the effectiveness of their alliance cannot yet be evaluated. It is possible that the decisive political battles between the Masjumi (Moslem) Party and the nationalist-communist coalition will be fought over the issue of foreign capital in Indonesia.

It is evident throughout Sumatra that native Indonesian enterprisers cannot yet compete with the powerful Chinese business class. In Baturadja, Palembang, Djambi, Lahat, Muaratebo, Sibolga, Siantar, Medan, and other Sumatran cities, the business streets are almost as Chinese as Hong Kong or Singapore. A notable exception is the Minangkabau area where Chinese are said to be unable to compete with the energetic local population. In the big port cities, certain Indonesian importers have been given preferential treatment by the government, but the future of this protected group is uncertain. Many have gone bankrupt in the last two years of depression, and many others have sold their government licenses to more experienced or more powerful Chinese. It is still safe to generalize, after four years of independence, that the Indonesian business class is Chinese.

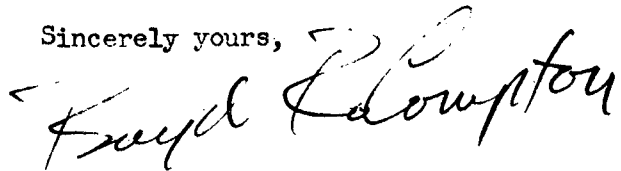
(5) Many of the officials I met in Sumatra made clear statements about the need for American aid, especially in agricultural development. The intensity of anti-foreignism seems to decrease sharply as you leave the capital; it seems especially low among minor officials who are more concerned with production than politics. The influence of America--primarily through the movies--is seen everywhere. Even in remote places, the youngsters show an interest in Hollywood, television, American government, and the negro question. The usual distorted ideas about wealth in America are widespread, perhaps reenforced by official American publications which stress not so much the combination of hard work and rational techniques that help a person achieve his goals, but rather how fantastically well-off he is going to be when the goal is reached. Regardless, I have heard more informed comments

about America in Sumatra, than I have heard about Indonesia in America. Hollywood and USIS are reaching a lot of people.

These are some of the general conditions a traveler finds in Sumatra in early 1953. In future months, I will be looking into more specific problems of Sumatra's current history, particularly the role of Islam as a force in this new society.

In the meantime, I am left with my impressions of a quick trip through Sumatra. Actually the two clearest pictures I see in remembering the trip have very little to do with government or the economy: everywhere in Sumatra, even on the lonliest jungle road, you see buses and you see school children. The buses are not very modern and the school children are not all getting the best scholastic training. But they are indications that this island—as all of Indonesia—is living through an episode of basic transformation. If the foreigner sometimes gets the impression in Java that the world will never change, in Sumatra he has the feeling that the world around him is never quite the same from week to week.

Sincerely yours,

A handwritten signature in dark ink, reading "Boyd R. Compton". The signature is written in a cursive, slightly slanted style. The first name "Boyd" is written with a large, looping 'B'. The last name "Compton" is written with a large, looping 'C' and a trailing flourish.

Boyd R. Compton

Received New York 7/1/53.