

# Foreign investment and Dutch colonialism

## Case studies from Indonesia

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### **Abstract**

This contribution applies a combination of quantitative and qualitative methods to explore the impact of investment by private Dutch capital in Indonesia during the late-colonial period and immediately after Indonesian independence. The paper depicts the wider context of direct private Dutch investment in Indonesia during the period c. 1910-1960 whilst also containing in-depth case studies of two leading Dutch-owned corporations operating in the archipelago, Billiton in tin mining and the Deli Company in tobacco cultivation. Our intention is to work towards a balance sheet of gains for private overseas shareholders vis-à-vis contributions and costs accruing to society on the location of investment. The paper draws on information from, amongst others, primary sources in business archives.

## Introduction

One of the most heatedly debated issues in the international discourse on colonialism pivots around the gains reaped from private investment in a territory held as a colonial possession.<sup>1</sup> Were excessive profits earned at detriment and great cost to the colony? Did foreign direct investment from overseas sources contribute to economic development in the colony? Our aim is to arrive at a balance sheet of foreign direct investment in the colonial context, focusing on Indonesia and giving special attention to investment by private Dutch capital. On one side of the balance sheet, we encounter gains accruing to overseas shareholders, on the other we identify possible benefits and losses for economy and society on the location of investment. Admittedly, it is a somewhat unconventional and experimental analytical approach. Yet we believe that this type of analysis can render insights that may give the discussion on the ultimate impact of colonialism a further impetus. Our analysis covers the late-colonial period and the years immediately after Indonesian independence when numerous Dutch firms were still operating in Indonesia, roughly the years 1910-1960.<sup>2</sup>

One of the chief methodological bottlenecks with this type of analysis concerns the dichotomy between a macro and a micro perspective, the former relying on aggregate estimates of flows and accumulated equity, the latter drawing on firm-specific information. Statistics from the late-colonial period are likely to be too shaky for a solid base macro perspective, but data on individual firms obviously do not lend themselves readily for generalization. The researcher needs to strike a compromise between the two. Our analysis draws on a number of carefully selected case studies the findings of which are interpreted within a wider macro-economic context of foreign direct investment under conditions of colonialism. As a starting-point we opted for two prominent Dutch companies: Billiton in tin mining and the Deli Company (Deli Maatschappij) in estate agriculture (tobacco). Each of them enjoyed a leading position in its branch of industry. More companies of similar stature will be added in the course of our research project.

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<sup>1</sup> See the monumental study by L.E. Davis and R. Huttenback, *Mammon and the pursuit of Empire: The political economy of British imperialism, 1860-1912* (Cambridge: Cambridge University Press, 1986). Among more recent works, see in particular Anne Booth, *Colonial legacies: Economic and social development in East and Southeast Asia* (Honolulu: University of Hawaii Press, 2007).

<sup>2</sup> This paper forms a first, tentative report from a newly initiated research project entitled 'Foreign capital and colonial development in Indonesia' at the Leiden Institute of Area Studies of Leiden University, financially supported by the Netherlands Organisation for Scientific Research (N.W.O.). Participants in the project include the three paper authors as well as David Henley at Leiden University.

Our paper has a straightforward structure. First, a brief sketch is given of the wider context of foreign direct investment in colonial Indonesia during the period under study. Then preliminary findings with respect to the two selected firms are presented under two separate headings, reflecting respectively the interests of private investors and local society. The most readily available source for firm-specific information is the series of annual reports, kept in the business archives of the two selected companies.<sup>3</sup> It should be noted that this is a source that needs to be interpreted with some caution since it reflects the information which management wished to share with the general public.

### **The colonial context of foreign investment**

The late nineteenth and early twentieth century witnessed a worldwide surge in foreign direct investment with the value of accumulated stocks rising threefold between 1885 and 1914 alone. In 1914, almost one-third of these investment holdings were located in Asia and Africa, primarily in colonial territories. Britain and France, the world's leading colonial powers, ranked first as countries of origin of foreign investment capital.<sup>4</sup> Foreign investment in colonies continued to grow during the interwar period, albeit at a slower rate. In the region of Southeast Asia, a strong link developed between colonial possession and foreign investment commitments. Colonial Indonesia was the single largest recipient of overseas capital with Dutch-owned companies accounting for 70 per cent of the total. British firms held a suchlike share in total foreign investment in Malaya, and in French Indochina there was hardly any room at all for foreign capital that did not originate in France.<sup>5</sup> Foreign investment under the protective umbrella of colonialism apparently held an attraction of its own.

Overseas investment in a colonial possession of one's own clearly differed from domestic investment. But it was also less 'foreign' than investment in third countries. Investors from the metropolitan mother country could benefit from the familiarity of legislation, institutions, procedures and language. A nexus was likely to emerge between private business and stakeholders in politics and the bureaucracy. The British brand of 'gentlemanly capitalism'

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<sup>3</sup> The business archives of Billiton (later *Gemeenschappelijke Mijnbouwmaatschappij Billiton, GMB*) and the *Deli Maatschappij* (later *Verenigde Deli-Maatschappijen, VDM*) are readily accessible in the Nationaal Archief (National Archive, NA) in The Hague.

<sup>4</sup> David Held *et al.*, *Global transformations: Politics, economic and culture* (Cambridge: Polity, 2003) 193-194.

<sup>5</sup> J. Thomas Lindblad, *Foreign investment in Southeast Asia in the twentieth century* (London: Macmillan, 1998) 14. The situation was slightly different in the Philippines where Spanish investment of older date lingered on, resulting in a share of US investment in the total at scarcely more than 50 per cent.

within the Empire immediately comes to mind with regard to the link between interests of the private capital and colonial policy-making.<sup>6</sup> In the case of the Netherlands Indies, a vigorous colonial lobby safeguarded the interests of Dutch investors, even to the point of sponsoring a rival institution for training of colonial servants at the University of Utrecht when the curriculum at Leiden University was considered to pay too little attention to the interests of private capital.<sup>7</sup> Firms from the metropolitan mother country acquired a competitive advantage compared to investors from third countries also in the absence of positive discrimination or preferential treatment.

Although the entire Indonesian archipelago was opened up for private capital investment from 1870 onwards - when the dismantling of the Cultivation System in Java began -, a relatively long gestation period was required before private foreign investment reached an appreciable volume, in particular outside Java. The reasons are to be found in irreparable conservatism on the part of Dutch investors, preferring Russian railroads to tropical adventure, as well as in conditions then prevailing in the colony. Effective Dutch colonial rule was only extended throughout the Indonesian archipelago in the late nineteenth and early twentieth century. A colonial state had been erected in Java in the course of the nineteenth century but it was only gradually extended to the other islands.<sup>8</sup> The colonial authorities in Batavia were often reluctant to permit private investment in areas where effective control had barely been established.<sup>9</sup> Therefore, only a limited number of pioneering enterprises financed with Dutch capital actually began producing on scattered locations in the Outer Islands, notably in Sumatra and adjacent islands. The two firms selected as case studies here both counted among those pioneers, Billiton from 1860 on the island Belitung off the south Sumatra coast, and the Deli Company from 1870 in the plantation belt of East Sumatra (now in the province of North Sumatra). Generally speaking, the slow shift to an export-oriented

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<sup>6</sup> P.J. Cain and A.G. Hopkins, *British imperialism: I. Innovation and expansion, 1688-1914; II. Crisis and deconstruction, 1914-1990* (London/New York: Longman, 1993).

<sup>7</sup> Arjen Taselaar, *De Nederlandse koloniale lobby. Ondernemers en de Indische politiek, 1914-1940* (Leiden: CNWS, 1998). See also Cees Fasseur, *De indologen: Ambtenaren voor de Oost 1825-1950* (Amsterdam: Bakker, 1993).

<sup>8</sup> Howard Dick, Vincent J.H. Houben, J. Thomas Lindblad and Thee Kian Wie, *The emergence of a national economy. An economic history of Indonesia, 1800-2000* (Crows Nest, NSW: Allen & Unwin, 2002) 98.

<sup>9</sup> The expansion of European business in Java took place partly in collaboration with rising investment by ethnic Chinese. See in particular Alexander Claver, *Commerce and capital in colonial Java. Trade finance and commercial relations between Europeans and Chinese, 1820s-1942* (PhD dissertation, Free University of Amsterdam, 2006) 91-170. For the rise of European dynamics in the export economies of the Outer Islands, see Jeroen Touwen, *Extremes in the archipelago. Trade and economic development in the Outer Islands of Indonesia, 1900-1942* (Leiden: KITLV Press, 2001) 101-161.

economy in the Outer Islands with private foreign capital as a major driving-force warrants c. 1910 as a point of departure in our analysis.

Investment by private Dutch firms in Indonesia flourished up to the Pacific War and did not come to an end with the Indonesian proclamation of independence in 1945. Dutch firms with assets in Indonesia were bent on staying on also under changing conditions. The financial and economic agreement (Finec) in 1949 that sealed the transfer of sovereignty from the Netherlands to Indonesia provided solid guarantees for continued operations by Dutch private companies. This situation remained in force until the takeover and subsequent nationalization of nearly all Dutch-owned enterprises from December 1957 onwards.<sup>10</sup> The lag of economic decolonization behind political decolonization had the important implication that the context surrounding private foreign investment remained reminiscent of the colonial context during the better part of the 1950s. Therefore, it is imperative to include also the immediate post-independence period in the analysis.

Statistics about aggregate volumes of incoming and accumulated foreign direct investment are disturbingly scarce for the late-colonial period in Indonesia, and even less complete for the 1950s. Scattered estimates, made shortly before or during the Pacific War, indicate that the accumulated volume of foreign direct investment in colonial Indonesia amounted to no more than 750 million guilders (\$ 300 million) at the turn of the century. By 1914, the accumulated total had risen to 1.7 billion guilders (\$ 675 million). The truly rapid enlargement of foreign-held assets occurred during the 1910s and 1920s, culminating in a peak level of accumulated holdings at about 4 billion guilders (\$ 1600 million) in 1930. The onslaught of the worldwide economic depression reduced this figure somewhat, to approximately 3.2 billion guilders (\$ 1260 million) in 1937.<sup>11</sup> As mentioned above, an estimated 70 per cent of this accumulated total can be classified as capital originating from the Netherlands.<sup>12</sup> Large-scale investment in the colony accounted for a sizeable proportion of total Dutch investment abroad, about 16 per cent in the 1930s.<sup>13</sup> This generated a substantial income from the colony accruing to the mother-country on a far larger scale than revenues from mutual trade between the Netherlands

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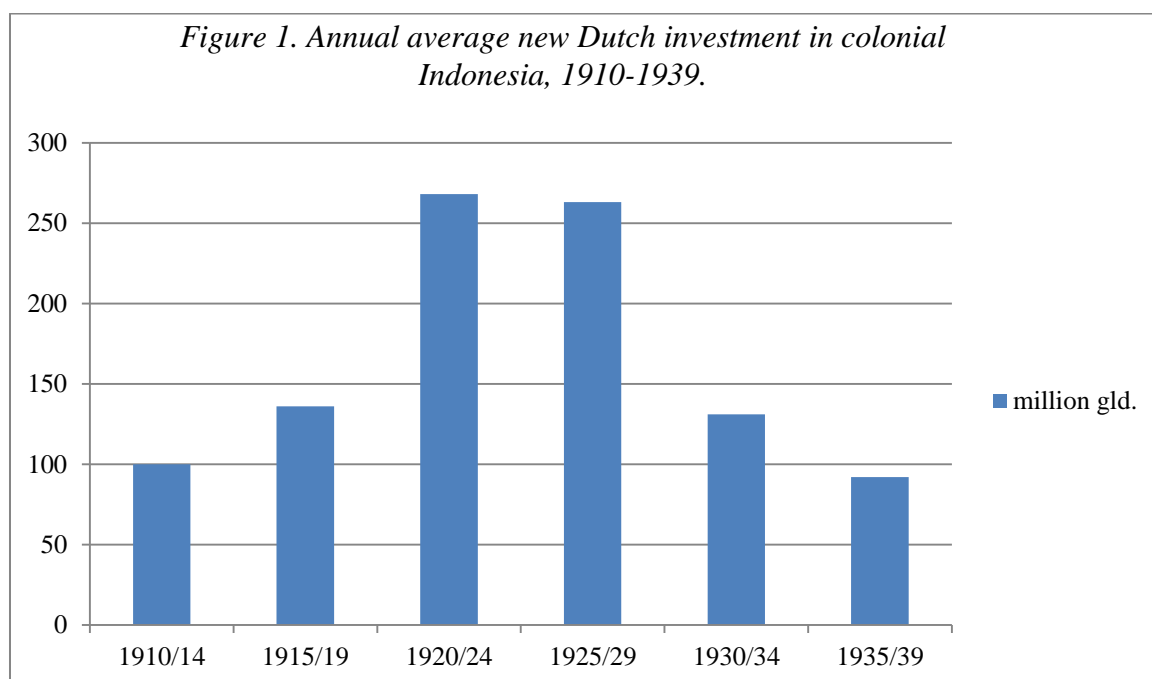
<sup>10</sup> Full account in: J. Thomas Lindblad, *Bridges to new business. The economic decolonization of Indonesia* (Leiden: KITLV Press, 2008) 177-208.

<sup>11</sup> Lindblad, *Foreign investment*, 14. See also J. Thomas Lindblad, 'Foreign investment in late-colonial and post-colonial Indonesia', *Economic and Social History in the Netherlands* 3 (1991) 183-208.

<sup>12</sup> The identification of investment capital by nation of origin is in most cases unproblematic. A borderline case is the BPM (Bataafsche Petroleum Maatschappij), a joint subsidiary of Royal Dutch ('Koninklijke', 60 per cent) and Shell in the United Kingdom (40 per cent).

<sup>13</sup> H. Baudet and C. Fasseur, 'Koloniale bedrijvigheid', in: J.H. van Stuijvenberg (ed.), *De economische geschiedenis van Nederland* (Groningen: Wolters-Noordhoff, 1977) 309-350, in particular 334.

and colonial Indonesia. In a famous calculation, later Nobel Prize Laureate Jan Tinbergen, together with an associate, estimated the contribution of the colonial possession towards GDP (Gross Domestic Product) in the Netherlands in 1938 at 14 per cent, an estimate that included potential multiplier effects. It is a high percentage by any international comparison.<sup>14</sup> This percentage dropped substantially during the Second World War and the Indonesian Revolution (1945-1949) and was estimated to have been at most 5 per cent (including multiplier effects) in the early 1950s.<sup>15</sup> There was hardly any incoming foreign investment in Sukarno's Indonesia of the 1950s, neither from the Netherlands nor from other countries, the sole exception being the oil sector where special conditions prevailed.



Source: P. Creutzberg, *Changing Economy in Indonesia. Vol. III. Expenditure on fixed assets* (The Hague: Nijhoff, 1977) 81-82.

In the absence of recorded annual statistics, economic historians have to rely on various reconstructions in order to obtain an overall impression of long-term developments. The best reconstruction to date is the one done by P. Creutzberg in the 1970s. It is largely based on a

<sup>14</sup> J.B.D. Derksen and J. Tinbergen, 'Berekeningen over de economische betekenis van Neerlandsch-Indië voor Nederland', *Maandschrift van het Centraal Bureau voor de Statistiek* 40 (1945) 210-216.

<sup>15</sup> M.J. Baudet and G.J. Wijers, 'De economische betekenis van Neerlands-Indië voor Nederland: Oude en nieuwe berekeningen', *Economisch-Statistische Berichten* 61 (1976) 885-888.

large sample of indemnification claims submitted by nationalized Dutch corporations after nationalization in the late 1950s, combined with supplementary piecemeal data. The sample comprises 673 individual firms and reconstructed totals reach as far back as to 1910. The overall trend is as follows: a gradual increase at a moderate rate in the 1910s, a spectacular expansion in the 1920s, and stagnation or even contraction during the economic depression of the 1930s (Figure 1).<sup>16</sup>

The chief rationale for investing in colonial Indonesia was to make profit from exports of primary products to the world market, drawing on the archipelago's rich endowment of natural resources. A cursory survey of foreign investment holdings in the late 1930s, including Dutch as well as non-Dutch firms, indicates that three-quarters of accumulated holdings were in agriculture (56 per cent) or mining (19 per cent), leaving only small parts for manufacturing and services. A similar composition of foreign direct investment held true in both Burma and British Malaya, whereas there was a higher degree of diversification across sectors in French Indochina and the Philippines.<sup>17</sup> The direct link between foreign investment on the one hand and foreign exports on the other is corroborated by a comparison of five-year averages of the data reconstructed by Creutzberg with corresponding five-year averages of the total value of exports from colonial Indonesia over the entire period 1910-1939.<sup>18</sup> The coefficient of determination amounts to 0.66, which is statistically significant.

The most comprehensive source of information on foreign firms operating in colonial Indonesia is a directory of incorporated companies, compiled annually and listing basic information for several thousand individual companies.<sup>19</sup> This source has so far only been used in a rather tentative way in the economic historiography of the Dutch colony, with applications being limited to either the initial years, when numbers of firms were small, or a cursory exploration of basic data for a couple of selected points in time during the interwar

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<sup>16</sup> The five-year averages presented in Creutzberg's volume differ from averages which can be inferred from his broader reconstruction on a yearly basis of all Dutch investment, both by private firms and the government, also including the partly Dutch-controlled oil sector. See *Creutzberg*, Expenditure, 44-46.

<sup>17</sup> Lindblad, *Foreign investment*, 14.

<sup>18</sup> Calculated from data in Figure 1 and from W.L. Korthals Altes, *Changing Economy in Indonesia. VII. Balance of payments 1822-1939* (Amsterdam: Royal Tropical Institute, 1987) 109-110.

<sup>19</sup> *Handboek voor cultuur- en handelsondernemingen in Nederlands-Indië* (Amsterdam: De Bussy, 1888-1940).

years.<sup>20</sup> Processing of this source renders a snapshot of the world of corporate business in colonial Indonesia in the mid-1920s.<sup>21</sup>

Around 1925, colonial Indonesia counted 3,428 Dutch-owned private firms with a combined issued equity capital of 4,230 million guilders, an aggregate roughly in agreement with the far more global estimates of total foreign direct investment in the Netherlands Indies at the time.<sup>22</sup> Average equity of a Dutch-owned corporation was 1.3 million guilders. The mid-1920s was a time of good fortune with high profitability. The average dividend rate in 1925 was as high as 17.9 per cent which is impressive by any standards. Numbers and equity endowments of non-Dutch foreign firms were far smaller. The largest contingent consisted of 123 British companies with a combined issued equity of £ 27.2 million (326 million guilders).<sup>23</sup> Interestingly, profitability was markedly lower in British-owned firms, judging from an average dividend rate of 8.4 per cent.

The corporate world of business in the colony represented a juxtaposition of a small number of very large companies and a large number of relatively small-size corporations. The former more often than not had its headquarters in the Netherlands, in particular in Amsterdam (362 firms) and The Hague (191 firms). The latter tended to be far more entrenched in colonial society, maintaining headquarters on or near sites of production. The most favoured locations for headquarters in the colony were Surabaya (659 firms), Batavia (477 firms) and Semarang (294 firms).

It is instructive to review the twenty largest foreign corporations operating in the Netherlands Indies in the 1920s (Appendix I). All but one were recognizably Dutch-owned.<sup>24</sup> Ten dated from the nineteenth century, whereas the others had only been incorporated as limited liability entities after 1900. Eleven had their headquarters in Amsterdam, seven in The

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<sup>20</sup> J.N.F.M. á Campo, 'Strength, survival and success: A statistical profile of corporate enterprises in colonial Indonesia 1883-1913', *Jahrbuch für Wirtschaftsgeschichte* 46 (1995) 45-74; Lindblad, *Foreign investment*, 72-82.

<sup>21</sup> Our research project also includes an in-depth exploration of all corporations operating in colonial Indonesia in the 1920s. The analysis is prepared by our student assistants, Jelmer Puylaert and Thomas de Greeve.

<sup>22</sup> All data from *Handboek 1925*. The calculated overstates the actual situation by at least 300 million guilders in the oil sector since both the Dutch parent company 'Koninklijke' (Royal Dutch) and its production subsidiary BPM are listed as individual corporations. Correcting for such discrepancies would carry the risk of treating separately listed but interconnected firms inconsistently.

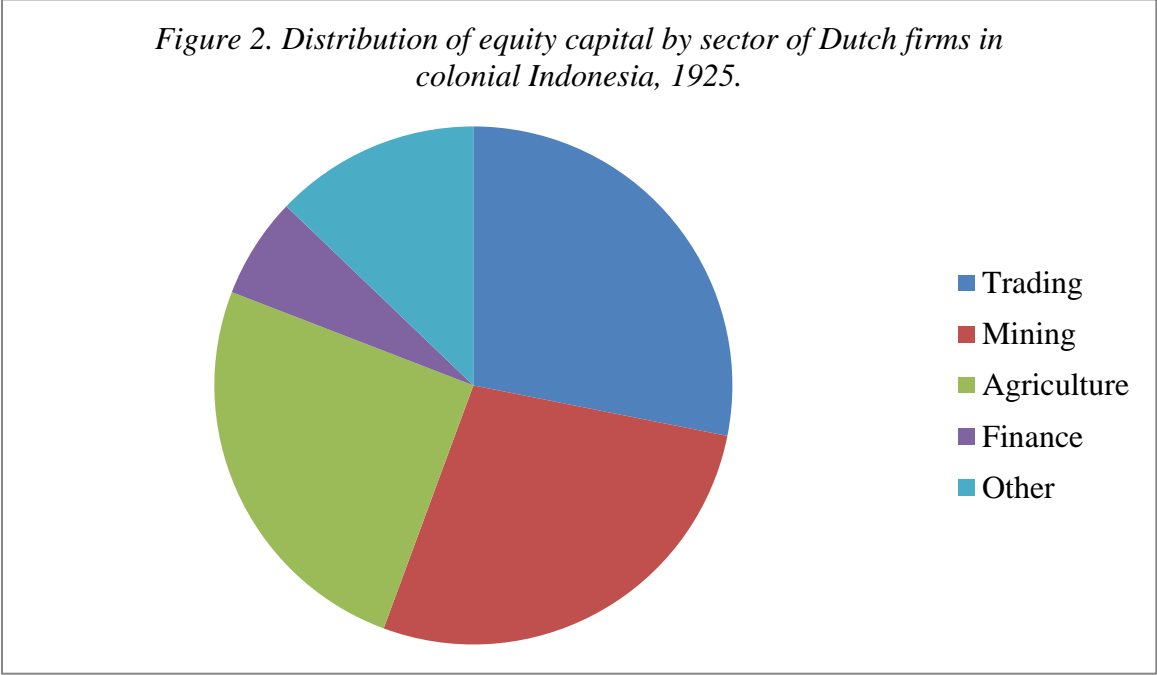
<sup>23</sup> British-owned companies registered in the Netherlands Indies do not include Shell Transport & Trading, the British parent company of BPM.

<sup>24</sup> The exception was the Oei Tiong Ham concern founded by the richest Chinese resident of the Netherlands Indies in the late nineteenth and early twentieth centuries. See Howard Dick, 'Oei Tiong Ham', in: John Butcher and Howard Dick (eds), *The rise and fall of revenue farming. Business elites and the emergence of the modern state in Southeast Asia* (New York: St. Martin's, 1993) 272-280.



Hague and only two in the Netherlands Indies. Eight were in export agriculture, five in transport (primarily shipping), four in finance (banking) and three in mining (oil). The firms selected as case studies here, the Deli Company and Billiton, are found in the positions 16 and 31 respectively in an overall ranking by equity capital.

The largest branches of industry where private Dutch capital was invested were trading and export agriculture, both good for about one-third of the total number of corporations with about 1075 and 950 individual firms respectively. Other branches such as mining, finance and insurance counted far fewer numbers of firms. The largest accumulated capital endowments were in trading, mining and export agriculture with, respectively, 1,189, 1,163 and 1,067 million guilders of issued equity (Figure 2).



Source: *Handboek voor cultuur- en handelsondernemingen in Nederlandsch-Indië 1925* (Amsterdam: De Bussy, 1926).

This section has briefly surveyed the general conditions of foreign direct investment in a colonial context, including the long-run overall development of commitments of private Dutch capital as well as a snapshot of the world of corporate business by the mid-1920s. The time is ripe to turn to the two case studies selected for more detailed analysis.

## Profits for pioneers

Billiton and the Deli Company were both, in the terminology of Chandler, prime movers in their respective branches of industry, tin mining and tobacco cultivation, on remote and hitherto largely unexplored sites of production in the Outer Islands of the Netherlands Indies. This section focuses on long-run financial performance of the two selected case studies. The two companies are discussed separately.

Billiton was set up in 1860 by a consortium of private businessmen in the Netherlands, which even included King William III's younger brother. Initial equity capital was merely one million guilders. This amount was only far later raised, in 1917 to five million and in 1928 to 10.5 million guilders. The production of tin increased rapidly in the first quarter of the twentieth century, for instance from about 3,400 long tons in 1909 to more than 10,500 long tons by 1926.<sup>25</sup> However, this expansion was not sustained into later decades and it can be argued that the 1920s formed the most successful years of the company. The worldwide economic depression of the 1930s brought a decline in production; in 1933 only one-third of the volume of tin was produced as compared to 1930. Although Billiton did recover rapidly, achieving an impressive yield in the early 1940s, production after the Pacific War and in the 1950s remained below previous levels. Output oscillated between 8,000 and 10,000 long tons, while in the 1920s 12,000 tons or more had not been unusual.<sup>26</sup>

The long-run decline in production was typical for the tin sector as a whole. With a share of about 30 per cent, Indonesia was one of the world's largest producers. The overall decline of production at Billiton reflected a worldwide downward trend, but it should be noted that Billiton's market share was higher in the 1920s, around 35 per cent, than in the 1950s, scarcely more than 30 per cent. The same stable pattern is visible in the development of the workforce. During the 1910s, the total labour force hovered between 5,000 and 10,000, while remaining rather constant around 7,500 in the 1950s. Overall productivity seems to have increased slightly over time. During the 1910s labour productivity averaged between less than one-half a ton and one ton, but in the 1950s productivity rates exceeded one ton.

In the first decade of the twentieth century, cost prices at Billiton were about one-half of average market prices; the cost price per picul (around 60 kilograms) varied between 30 and

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<sup>25</sup> One long ton equals 1016 kilogram.

<sup>26</sup> All details on Billiton from: NA, The Hague: Billiton Maatschappij, 1852-1970, vol. 41, 42, 43, 361, 362, annual reports to shareholders.

60 guilders, whereas market prices were in the range of 70-120 guilders per picul. Due to a lack of technological improvements, cost prices then rose, but fortunately for Billiton market prices increased even faster so that profits were nevertheless enlarged, in particular during the years 1916-1920. From 1920 onwards, the gap between cost price and market price narrowed. Market prices dropped and cost prices did not decline. Nevertheless, output continued to increase. This was not long before the mining concession would expire. After the renewal of the concession in 1923, profits grew fast, reaching record levels in the late 1920s. Up to the onset of the depression of the 1930s, the difference between cost price and net proceeds remained favourable. In the early 1930s, by contrast, cost prices exceeded proceeds. Nevertheless, Billiton recovered at a comparatively early stage, already in 1933, and could benefit from a favourable balance between cost price and net proceeds during the second half of the decade. Prices rose gradually after the war, reaching an all-time high in 1951 (Appendix II).<sup>27</sup>

Billiton was widely renowned for its profitability. When the mining concession came up for renewal in 1923, the Netherlands government wished to secure a larger slice of profits. The proportion of equity held by the state was then increased to five-eighths of the total (62.5 per cent), with the remaining three-fifths (37.5 per cent) held by private Dutch investors.<sup>28</sup> Profits did indeed rise in the long run, from four million guilders on average in the 1910s to more than eight million guilders in the 1950s. The years 1949 and 1950 were extraordinarily good. Rising profits were reflected in increasing dividends over this period of half a century. Despite considerable differences between individual years, an overall impressive upward trend is visible. In the 1910s, annual dividends averaged 1.4 million guilders and payments of 250 guilders per share of 1,000 guilders were not uncommon. The dividend rate more than doubled during the 1920s but fell to less than one-tenth of its previous level when the depression of the 1930s struck.<sup>29</sup> Annual dividend payments rose to about eight million guilders over the years 1951-1957.<sup>30</sup> Considerable reserves were built up over the years.

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<sup>27</sup> J.C. Mollema, *Gedenkboek Billiton, 1852-1927* (The Hague: Nijhoff, 1927) vol. I, appendix 5; A.F. Kamp, *De standvastige tinnen soldaat, 1860-1960. N.V. Billiton Maatschappij* (Nijmegen: Thieme, 1960) 193, 195. From the 1920s, returns are given as net proceeds without further elaboration which makes it difficult to carry out a direct comparison with the more detailed information from earlier years.

<sup>28</sup> Mollema *Gedenkboek Billiton, 1852-1927*, vol. I, 45-47; Kamp, *De standvastige tinnen soldaat*, 248.

<sup>29</sup> See also: J. Thomas Lindblad, 'Business strategies in late colonial Indonesia', in: J. Thomas Lindblad (ed.), *Historical foundations of a national economy in Indonesia, 1890s-1990s* (Amsterdam: Horth-Holland, 1996) 207-228, in particular 217-220.

<sup>30</sup> The first author intends to discuss post-war financial performance at Billiton and the Deli Company in detail elsewhere.

Billiton generated substantial revenues for the Dutch state, also apart from dividend payments accruing to the state as a major shareholder. Import, export and excise duties over the years 1910-1925 exceeded eight million guilders. Benefits for the Dutch state from indirect contributions were said to amount to more than one million guilders per year during that period.<sup>31</sup>

After the war, Billiton's concession came up for renewal again and was granted but only for another five years, first in 1948, then again in 1953. By that time, the state-held part of equity had been passed over to the Indonesian government, as a legal successor to the Netherlands Indies government. During the 1950s, Billiton therefore operated as a joint venture between the Indonesian state and Dutch private investors. The joint venture was dissolved in 1958 following the takeover of the company by the Indonesian authorities and the forced departure of all Dutch staff. The liquidation was accompanied by a transfer of shares worth ten million guilders, that is the state-held part of equity, from the Indonesian government to the company. Billiton as an investment of private Dutch capital in the Indonesian archipelago came to a conclusion after almost a full century of operations.

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The Deli Company had been founded in 1870, ten years after Billiton. Initially, it consisted of only one estate but expansion was rapid and by the beginning of the twentieth century the concern embraced twenty individual estates producing tobacco leaves exceptionally well suited for high-quality cigars. In the 1920s, the Deli Company operated 26 tobacco estates in the Deli plantation belt. Total issued equity doubled from 18 million guilders in 1920 to 36 million in 1923. In the 1920s, rubber was also planted on a large scale but tobacco remained the chief source of revenue. Output of tobacco increased rapidly, by the late 1920s reaching an annual average at some 70,000 sacks of 158 kilograms each. The economic depression of the 1930s caused a decline in output to 60,000 sacks per year. After the depression, the Deli Company was unable to recover its onetime level of output. In the 1950s less than one-half of the earlier output was realized (Appendix III).<sup>32</sup>

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<sup>31</sup> Mollema, *Gedenboek Billiton, 1852-1927*, vol. II, appendix 13.

<sup>32</sup> All information on the Deli Company from: NA, The Hague: Deli Maatschappij en de daarmee gefuseerde bedrijven, 1869-1967, vol. 15, 39, 40, annual reports to shareholders.

Although output levels were quite stable, profitability in the Deli Company's tobacco business varied a great deal on a yearly basis. The years 1923 and 1924 were extraordinarily good, far better than 1920 when profits of less than 40,000 guilders were recorded. Issued equity capital was enlarged from 8.3 million guilders in 1915 to 13.5 million in 1918 and 24.3 million in 1920 in order to finance acquisition of new estates.<sup>33</sup>

The Deli Company suffered considerable losses in the early 1930s and profits and dividend payments remained at unimpressive levels also after the recovery in the second half of the 1930s, amounting to only two million guilders per year. Average rubber profits were usually less than 200,000 guilders a year, but in good years a profit up to 800,000 guilders could be pocketed. The rubber branch of the Deli Company never fully recovered after the depression of the 1930s.

Profits of the Deli Company as a whole were solid during the 1920s conditioned by a high level of turnover. The most favourable years for the firm's owners were shortly after the acquisition of new estates. In 1923, for instance, turnover rose to more than 18 million guilders, a level almost sustained also in the next year. Nevertheless, stated net profits only amounted to about 300,000 guilders in these years. Turnover in the second half of the 1920s was less impressive, barely one-half of the level that had prevailed in 1923 and 1924. The depression of the 1930s meant losses also for the Deli Company. Nonetheless, in 1933 turnover was again rising. Data for the early 1940s are incomplete, but the year 1940 itself saw a turnover of almost eight million guilders. Turnover in the 1950s was reasonable. In 1950, the threshold of ten million guilders of turnover was again surpassed and in 1953 a peak level was attained at 15 million guilders. Profits increased, too, rising from slightly more than half a million guilders in 1948 to more than four million in 1950. In 1953, issued equity was raised from 40 to 64 million guilders in connection with the acquisition of the Deli-Djakarta Rubber Company, which brought seven new estates into the concern's realm.

Dividend payments at the Deli Company were impressive from the start. Dividend rates at 50 per cent were no exception. During the first couple of decades of the twentieth century dividend was paid out at a rate of 20-30 per cent. A declining trend only became visible during the 1930s. In money terms, dividend payments were relatively large. In the 1910s, for

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<sup>33</sup> E. Enthoven, *N.V. Deli-Maatschappij. Gedenkschrift bij gelegenheid van het zestigjarig bestaan aansluitende bij het gedenkboek van 1 november 1919* (Amsterdam: Deli Maatschappij, 1929) 15.

instance, annual payments averaged 4.2 million guilders. During the next decade, this average rose to 5.5 million guilders because of two exceptionally good years, 1923 and 1924, when 10.5 and 11.5 million guilders respectively were paid out.<sup>34</sup> Then there was a gradual decline to a level of 5.4 million guilders. Dividend payments came to a virtual standstill during the economic depression of the 1930s, yet recovered somewhat from 1934 onwards.<sup>35</sup> The final decade of operations in Indonesia witnessed another increase in dividend payments made possible by larger net profits. In money terms, total dividend payments increased significantly after the issue of new equity in 1953 (Appendix IV). Just like Billiton, the Deli Company made substantial contributions to colonial tax. Annual tax payments reportedly averaged more than one million guilders during the 1920s and 1930s. It is not very clear who benefited from these revenues.

This brief sketch of the financial performance of two leading Dutch firms in Indonesia during and immediately after independence has highlighted two key characteristics of the operations of Dutch private capital in such an environment. The first one refers to the high degree of volatility of gains due to the dependence on conditions in world export markets. The second one underscores the considerable potential for high rates of profit and thus also for dividend income accruing to shareholders. The long-run potential was there but it was only fully realized in the short run.

### **Private enterprise and local society**

Next to conducting business with the aim of making profit, private firms in the Dutch colony on occasion took on traditional government tasks such as the development and maintenance of physical infrastructure and educational and health facilities. Such initiatives were often taken in the absence of government action. Whether altruistically motivated or not, they potentially served needs of the general public outside the realm of the company. However, it needs to be noted that our aim is not to glorify such achievements, but rather to offset them against the gains accruing to the owners. Labour conditions at private Western enterprises in the Netherlands Indies had a notoriously bad reputation for harsh punishment, widespread violence and a ruthless exploitation of cheap coolie labour.<sup>36</sup> Abuses of that nature were not

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<sup>34</sup> Enthoven, *N.V. Deli-Maatschappij*, 27-28.

<sup>35</sup> See also Lindblad, 'Business strategies', 220-223.

<sup>36</sup> For a full discussion of conditions of coolie labour at Western enterprises in colonial Indonesia, see Jan Breman, *Koelies, planters en koloniale politiek. Het arbeidsregime op de grootlandbouwondernemingen aan Sumatra's Oostkust in het begin van de twintigste eeuw* (Dordrecht/Providence, RI: Foris, 1987) [translated as

automatically mitigated by company contributions to local society. In the following, attention is given to initiatives at the two firms selected as case studies here, the Deli Company and Billiton. Different from the preceding section, this section's argument is arranged by theme rather than by firm. Main attention is given to education, healthcare and the physical infrastructure.<sup>37</sup>

Prior to the launch of the Ethical Policy in 1901, the Dutch colonial government showed virtually no interest in educating the indigenous population of the Netherlands Indies. An increased emphasis on education in the framework of the Ethical Policy brought some improvement, but the overall record of colonial education with regard to indigenous subjects remained in a pitiful state, which was most glaringly reflected in extremely low rates of literacy as stated in the population censuses of 1920 and 1930. The low investment in education during the late-colonial era was branded as an important 'missed opportunity' by the economic historian Anne Booth.<sup>38</sup>

During the initial years of the Ethical Policy, estate owners in the Deli plantation belt took up the challenge of educating the children of their massive labour force (Appendix V). But the momentum did not last long. The first report of the Labour Inspectorate from 1913 describes the condition of the estate schools as one of stagnation. The interest of the employers in the provision of education had faded after noticing that children who learned to read and write tended to leave the estate in search of better employment.<sup>39</sup> Nevertheless, from 1916 onwards, estates in Deli revived their initiatives to create educational facilities for the children of their indigenous workers. The impetus came not from within planter society but rather from the governor of the residency of East Sumatra, who convinced the planters that the estates constituted separate societies of their own for which the planters had to shoulder responsibilities such as the provision of primary education.<sup>40</sup> The curriculum at the estate schools was offered in Malay or Javanese and similar to that of the three-year *volkschool* (village school), which prepared pupils for the *tweede klasse* (second-class) schools in the

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*Taming the coolie beast. Plantation society and the colonial order in Southeast Asia* (Delhi: Oxford University Press, 1989)]. See also: Vincent J.H. Houben, J. Thomas Lindblad *et al.*, *Coolie labour in colonial Indonesia. A study of labour relations in the Outer Islands, c. 1900-1940* (Wiesbaden: Harrassowitz, 1999).

<sup>37</sup> Medical facilities catering exclusively to company employees are not discussed here.

<sup>38</sup> Anne Booth, *The Indonesian economy in the nineteenth and twentieth centuries. A history of missed opportunities* (London: Macmillan, 1998) 268-270, 289.

<sup>39</sup> *Verslag van den dienst der Arbeidsinspectie en Koeliewerving in Nederlandsch-Indië 1911/13* (Weltevreden: Albrecht & Co., 1914) I, 85.

<sup>40</sup> Deli Planters Vereeniging (DPV), *Leidraad voor de oprichting van ondernemingscholen* (Medan: DPV, 1920s) 1-3; Paul W. van der Veur, 'Education and social change in Indonesia (I)', *Papers in International Studies Southeast Asia Series No. 12* (1969) 7.

towns. The Deli Company started out with Malay as language of instruction, but later, in the 1930s, provided education also in Javanese.<sup>41</sup>

Almost ten years after the Governor's initiative, the Deli Company had established a total of 27 schools on its estates, providing education to 1,389 pupils. By 1938 the number of pupils had risen to 2,290. The estate schools were not the only option on the educational menu for children of coolies: many among them were educated at village schools in the vicinity of the estates. Nevertheless, reports indicated that only 3,300 out of a total of 50,000 estate children in the Medan and Binjai districts received education at either an estate or a village school. In 1930, the ratio of primary school children to total population in the estate area of the Deli Company was 5 per cent, considerably higher than in the Outer Islands as a whole (1.9 per cent).<sup>42</sup> In the early 1920s, regular education at the estate schools was allegedly impeded by utilization of children for collecting caterpillars or working in the sheds of the estate.<sup>43</sup> Next to offering primary education, the Deli Company also ran a vocational school at its Belawan estate during a short period. The school was closed for financial reasons between 1929 and 1933. In total, 88 carpenters received their diplomas at this school.<sup>44</sup>

Similar initiatives in the field of education were also developed at Billiton. In 1926, an institutionalized effort was launched to advance 'the economical and hygienic interests of the population of the Billiton [now Belitung] district'. A foundation, named *Bevolkingsfonds* (People's Fund) *Billiton*, was set up by the company for this purpose with an initial endowment of 500,000 guilders, of which an annual interest of five per cent (25,000 guilders) was to be spent on daily operations. Annual expenditures remained at the agreed level throughout the late 1920s and 1930s (Appendix VI). A major initiative was the establishment of a vocational course at Manggar, where local youngsters were trained to become metalworkers or electricians. Preference was given to those who possessed a diploma from the *Hollandsch-Inlandsche School* (Dutch-Indonesian School) that offered primary education in Dutch, but such a diploma was not absolute prerequisite. During its fifteen year of existence, the vocational course delivered a total of 269 graduates, all of whom found

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<sup>41</sup> At first, the Senembah tobacco company was the sole employer in East Sumatra to provide elementary education in the Javanese language in the expectation that coolie children proficient in Malay might develop intellectual aspirations and regard plantation work as beneath their dignity. Deli Planters Vereeniging, *Jaarverslag 1923* (Medan: DPV, 1923).

<sup>42</sup> Deli Planters Vereeniging, *Jaarverslag 1930* (Medan: DPV, 1931); *Statistical abstract for the Netherlands Indies 1930* (Weltevreden: Centraal Kantoor voor de Statistiek, 1931).

<sup>43</sup> *Verslag van den dienst der Arbeidsinspectie 1921/22* (Weltevreden: Kolff, 1923) 24.

<sup>44</sup> *Gedenkschrift aangeboden aan den heer Herbert Cremer, directeur N.V. Deli-Maatschappij* (Amsterdam: De Bussy, 1941) 123.



employment at the workshops of Billiton in jobs such as bench fitter, sheet metal worker or welder.

Another early initiative of the foundation at Billiton was to set up a mobile medical clinic. A doctor was supposed to be driving from village to village to treat those in need of immediate medical care. From 1929 onwards, policlinics were erected at scattered locations so that the doctor on duty could travel around in a faster car and serve the entire island in one week. The medical staff consisted of one *dokter Jawa* (indigenous physician), two indigenous nurses and one Chinese pharmacy assistant. In addition, medical education was provided through demonstrations at cinemas and schools and through posters.<sup>45</sup> The medical service provided by the foundation at Billiton was especially important because of the complete absence of government hospitals on the island. Out of a total population of 73,400 persons in 1930, some 6,900 people received treatment at the medical service run by the foundation at Billiton. Ten years later, the number of patients had increased to 26,750 (Appendix VII).<sup>46</sup>

Total investment in the People's Fund in the period 1928 to 1941 amounted to 930,178 guilders. Total profits of Billiton in the same period amounted to 38.5 million guilders, which implies that during these fourteen years 2.4 per cent of total profits, or 0.17 per cent per annum, was remitted to local society. In spite of the considerable benefits brought to Billiton's inhabitants, especially in healthcare, this frugality reflects the opinion of Billiton's executive side that education and healthcare were no true company responsibilities and had to come at the bottom of the list. An example of this attitude is given in a letter from Billiton's representative in Jakarta in which he discusses a request to Billiton from an Indonesian cabinet minister to invest several millions of guilders in the creation of a *hogeschool* (polytechnic) on the island of Belitung. He notes that this would mean that Billiton would have to invest in something in which it 'has no direct interest, and which is essentially a government task.'<sup>47</sup>

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In the pioneering days of the reclamation of East Sumatra's jungle for Western estates, the region's infrastructure was poorly developed. The cultivation of tobacco in the Deli plantation belt was set up in uninhabited primeval forest. When the Deli Company started out in 1870,

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<sup>45</sup> NA, The Hague: Billiton, vol. 489. The company's representative even suggested that potential candidates for the position of travelling doctor be screened for political orientation.

<sup>46</sup> *Statistical abstract 1930*.

<sup>47</sup> NA, The Hague: Billiton, vol. 252, Letter dated 9 February 1954.

East Sumatra's rivers formed the main entrance to its fertile interior. Outrigger canoes, ox carts or carriers transported the tobacco to ports on the coast from where it was shipped to Penang for export. In the absence of investment by the colonial authorities, the chief responsibility for developing the region's infrastructure rested with the estate companies.<sup>48</sup>

Commensurate with its status as largest estate company in the region, the Deli Company took the initiative to erect a railway network. After the government had granted the necessary concession, the Deli Spoorweg-Maatschappij (Deli Railway Company, DSM) was established in 1883. The first railway lines connected Medan with Belawan, Deli Tua and Timbang Langkat (now Binjai). These lines were opened for transport of goods and people in 1886. The results of the DSM over its first bookyear showed that the company was financially viable. Meanwhile, several other estate companies established 'feeder lines' to connect their estates with the DSM network. By 1890 the total length of railway track amounted to 103 kilometers. This was followed by a slowdown. Expansion was resumed after 1902 and within five years another 160 kilometers of railway track were constructed. From the mid-1910s, the rapid expansion of rubber cultivation in the Asahan district spurred construction of another 177 kilometers of tracks running southwards to Telok Nibung and Pematang Siantar. The final stretch of the Asahan line was completed when in the 1930s the track was extended to Rantau Prapat and the total length of track added up to 553 kilometers.<sup>49</sup>

Touwen distinguishes between two types of growth effects of the European export industry in the Netherlands Indies: backward linkages and forward linkages, the former generated by a leading-sector industry using input from other industries, whereas the latter evolve as other industries use the output of the leading-sector industry. Touwen coins the DSM railway network as an important backward linkage of the Western export agriculture in East Sumatra. Apart from its main aim of serving the estates, the railway network gave a positive stimulus to the indigenous economy by providing better market access for local producers. The DSM made a significant contribution to mobility in East Sumatra. In 1927, the company transported almost seven million passengers.<sup>50</sup>

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<sup>48</sup> T. Volker, *Van oerbosch tot cultuurgebied. Een schets van de beteekenis van de tabak, de andere cultures en de industrie ter oostkust van Sumatra* (Medan: DPV, 1928) 7, 21.

<sup>49</sup> J. Weisfelt, *De Deli Spoorweg Maatschappij als factor in de economische ontwikkeling van de Oostkust van Sumatra* (Rotterdam: Bronder-Offset, 1972) 44-62.

<sup>50</sup> Touwen, *Extremes in the archipelago*, 154-155.

Shortly after 1900, the Deli Company commissioned a medical doctor, H. Dürk from Munich, to study tropical diseases, especially beriberi. In the event, Dürk identified dysentery as the largest health problem at the estates, claiming far more coolie lives than beriberi. To combat this disease he recommended the construction of a mains system for the supply of fresh drinking-water from the springs at Rumah Sumbul, a small village to the south of Medan. The need for fresh water supply had already been recognized by management at the Deli Company, but it proved difficult to raise necessary funds for the establishment of a water company. Although construction and exploitation of a mains system for fresh water supply was considered to be a government task, the Deli Company decided to resolve the water problem by using its own resources.

In 1905 the concession was granted to the newly established firm Ajer Beresih (literally 'Clean Water') for the construction and exploitation of a high-pressure water pipe to supply Medan and four adjacent tobacco estates, including three owned by the Deli Company (the estates 'Deli Toewa', 'Mariëndaal' and 'Polonia'). The prospected water pipe would measure 38 kilometers running from the springs at Rumah Sumbul to the water tower in downtown Medan. A condition for granting this concession was that the water company provided 130 cubic meters of water per day to the Medan public free of charge through ten hydrants, five public drinking fountains and three public baths. Ajer Beresih was supposed to serve a total of 14,227 people in Medan. The connected tobacco estates each counted a population of about 1,000 persons. Delivery of water by Ajer Beresih expanded commensurate with the growth of population at Medan. In 1907, 283 parcels had been connected to the mains, a number which by 1930 was to reach 4,521.<sup>51</sup> Apart from the private parcels attached to the system, fresh water was also delivered to the inhabitants of Medan at 64 public hydrants. In this respect, Medan fared far better than cities of similar size, for instance Macassar in Sulawesi or Malang in East Java, where the colonial authorities assumed responsibility for the water supply.<sup>52</sup>

Billiton also made some contributions to the local physical infrastructure on the island. In 1909 the public highway running from Tanjung Pandan via Buding to Manggar was improved at company expense so that it could be used for car traffic. The investment amounted to 47,000 guilders. In the year after, additional, smaller outlays were devoted to public roads. In 1910 and 1911 the local tram network was by Billiton to eventually reach a length of 36

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<sup>51</sup> NA, The Hague: Deli Maatschappij, vol. 235, annual report Ajer Beresih 1905.

<sup>52</sup> In 1930 Macassar and Malang both had a larger population than Medan, 86,000 people against 75,000. Numbers of private parcels connected to the water system were 3,938 in Malang and 2,277 in Macassar. Both cities had fewer public hydrants than Medan. *Statistical abstract 1930*.

kilometers.<sup>53</sup> However, when considering investment on physical infrastructure by mining companies, one must not overlook the often eccentric location of production which automatically reduced the usefulness of the facilities for the local economy. Port facilities, for instance, often only served the interests of the mining firm itself.<sup>54</sup>

This brief survey of contributions to local economy and society by two major Dutch-owned enterprises in the colony has underscored that initiatives were indeed taken with tangible, positive results. However, achievements were modest in light of the scale of operations and order of magnitude of turnover and profits.

## Conclusion

In 1926, the representative of Billiton in the Netherlands Indies proposed that the company give back something to the local population in times of large profits. Such an initiative would make a good impression and stem criticism of the operations of private Dutch capital in the colony.<sup>55</sup> An idea such as this one touches the very essence of our analysis of private, foreign investment and Dutch colonialism. There were potential benefits and losses to both sides, the investors in the Netherlands and local society. Our contribution seeks to establish a balance between these two stakeholders of foreign investment.

The short comparison between Billiton and the Deli company in Indonesia during and right after independence provides us with interesting insights into the financial performance of these two leading Dutch companies. This has highlighted two essential characteristics of the activities of Dutch private capital in such an environment. On the one hand there is a high degree of volatility of gains due to the dependence on conditions in world export markets. On the other hand, the considerable potential for high rates of profit and thus also for dividend income accruing to shareholders is underscored. There was definitely a long-run potential, but this was only fully realized in the short run.

How do shareholder gains compare to the contributions made to local society? Clearly the largest part of the yield of operations of these companies was collected by shareholders, while direct contributions to the development of local society were modest at best and represented

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<sup>53</sup> NA, The Hague: Billiton, vol. 41, annual reports.

<sup>54</sup> Touwen, *Extremes in the archipelago*, 158.

<sup>55</sup> NA, The Hague: Billiton, vol. 489, protocol behorende bij de notulen van de 12e vergadering van den Raad van Beheer, 25 March 1926.

only a fraction of extracted wealth. Nevertheless, the beneficial effects of these contributions are undeniable as local society at times did profit from private investment in infrastructure. In this respect, the appropriation of tax revenue accruing from company activities is something that needs to be explored further.

## Appendices

### *Appendix I. Top twenty corporations operating in colonial Indonesia in 1925.*

Rank	Company name (Mij. = 'Maatschappij' [Company])	Issued equity (mill. guilders)	Founded	Headquarters
1	'Koninklijke' (Royal Dutch)	600	1890	The Hague
2	Bataafsche Petroleum Mij. (BPM)	300	1907	The Hague
3	Verenigde Nederlandsche Scheepvaart	200	1920	The Hague
4	Nederlandsche Handel-Mij. (NHM)	150	1824	Amsterdam
5	Nederlandsche Scheepvaart Unie	75	1908	Amsterdam
6	Dordtsche Petroleum Mij.	66	1897	Amsterdam
7	Nederlandsch-Indische Handelsbank	60	1863	Amsterdam
8	Bank voor Indië	50	1920	The Hague
9	Koninklijke Paketvaart Mij. (KPM)	50	1888	Amsterdam
10	Nederlandsch-Indische Escompto Mij.	50	1857	Batavia
11	Hollandsch-Amerikaansche Plantage Mij.	40	1911	Amsterdam
12	Stoomvaart Mij. 'Nederland'	40	1870	Amsterdam
13	Algemeene Mij. (Oei Tiong Ham)	40	1920	Semarang
14	Centrale Suiker Mij.	30	1919	Amsterdam
15	Cultuur-Mij. 'De Oostkust'	30	1921	Amsterdam
16	Deli Maatschappij	30	1870	Amsterdam
17	Handels Vereeniging 'Amsterdam' (HVA)	30	1879	Amsterdam
18	Vereenigde Klattensche Cultuur-Mij.	30	1922	The Hague
19	Nederlandsch-Indische Spoorweg Mij.	30	1863	The Hague
20	Nederlandsch-Indische Suiker Unie	28	1921	The Hague

Source: *Handboek voor cultuur- en handelondernemingen in Nederlandsch-Indië 1925* (Amsterdam: De Bussy, 1925).

*Appendix II. Equity capital, stated profits, general reserves and dividend rates at Billiton, 1910-1958.*

	Equity capital (thous. guilders)	Stated profits (thous. guilders)	General reserve (thous. guilders)	Dividend (%)
1910	1,000	1,970	5,137	39
1911	1,000	3,659	5,137	23
1912	1,000	2,974	5,137	18
1913	1,000	3,101	5,137	18
1914	1,000	1,311	5,137	31
1915	1,000	1,411	5,137	37.5
1916	1,000	4,067	5,137	124.5
1917	5,000	6,284	5,137	439
1918	5,000	9,103	5,137	56
1919	5,000	7,360	5,137	45
1920	5,000	6,697	7,737	23.5
1921	5,000	-3,249	4,488	-
1922	5,000	2,128	4,488	10
1923	5,000	5,838	4,137	30.5
1924	5,000	3,482	4,139	60
1925	5,250	5,695	6,793	65
1926	5,250	4,484	7,478	70
1927	5,250	3,460	7,108	70
1928	10,500	4,016	7,325	70
1929	10,500	3,745	7,271	35
1930	10,500	2,224	5,040	20
1931	10,500	-1,568	3,034	3
1932	10,500	-3,276	2,940	3
1933	10,500	1,015	2,745	7
1934	10,500	1,873	3,650	8

1935	10,500	1,324	3,750	10
1936	10,500	2,271	4,000	18
1937	10,500	3,124	4,400	25
1938	10,500	3,004	4,650	25
1939	14,000	1,951	9,785	14
1940	16,000	5,228	14,713	29
1941	16,000	13,607	15,884	77
1942	16,000	7,164	16,284	41
1943/46	16,000	2,904	16,000	-
1947	16,000	6,999	16,000	40
1948	16,000	8,491	16,000	50
1949	16,000	18,143	16,000	100
1950	16,000	11,856	16,000	80
1951	16,000	2,417	16,000	20
1952	16,000	3,501	16,000	20
1953	16,000	4,070	16,000	25
1954	16,000	4,571	18,700	30
1955	16,000	2,745	16,000	19
1956	16,000	2,794	16,000	17
1957	16,000	2,690	16,000	37
1958	6.000	22,238	16,000	361

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Source: NA, The Hague: Billiton, vol. 41, 42, 43, 361, 362, annual reports to shareholders.



*Appendix III. Tobacco output, turnover and profits at the Deli Company, 1910-1958.*

	Output (sacks)	Turnover (thous. guilders)	Profits (thous. guilders)
1910	48,618		
1911	66,608		
1912	73,593		
1913	67,096		
1914	60,725		
1915	61,859		
1916	34,566	3,746	
1917	66,708	983	
1918	80,324	4,781	
1919	38,375	8,018	
1920	40,811	74	
1921	48,108	432	103
1922	51,522	8,500	
1923	71,365	18,182	
1924	72,560	16,310	272
1925	72,566	7,160	310
1926	87,247	8,561	2
1927	74,856	8,088	15
1928	80,746	8,238	72
1929	84,901	539	117
1930	74,247	-3,786	
1931	63,876		
1932	53,645	-2,541	
1933	54,847	2,477	
1934	56,603	3,017	

1935	56,008	3,778	
1936	63,844	4,286	1
1937	64,918	3,927	4
1938	52,457	58	29
1939	52,457		
1940		7,827	1,932
1941			
1942			
1943/46			
1947			
1948	10,378	1,095	581
1949	45,095	7,050	1,952
1950	21,361	10,352	4,272
1951	17,370	2,960	2,570
1952	18,038	3,820	2,918
1953	26,197	15,417	7,677
1954	28,452	7,541	6,191
1955	29,371	5,905	5,205
1956	26,820	4,860	4,244
1957		4,109	2,905
1958		56,498	12,919

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Source: NA, The Hague: Deli Maatschappij, vol. 15, 39, 40, annual reports to shareholders.

*Appendix IV. Equity, total dividend payments and dividend rates at the Deli Company, 1910-1958.*

	Equity (thous. guild.)	Paid-out dividend (thous. guilders)	Dividend rate (%)
1910	8,300	2,763	33
1911	8,300	7,212	87
1912	8,300	6,648	80
1913	8,300	1,660	20
1914	8,300	3030	36.5
1915	8,300	2,075	25
1916	8,650	4,325	25
1917	9,000	1,800	50
1918	13,500	6,750	50
1919	18,240	7,508	41
1920	24,320	2,432	10
1921	25,654	1,283	5
1922	25,654	5,131	20
1923	30,000	10,518	41
1924	30,000	11,544	45
1925	30,000	6,670	26
1926	30,000	7,183	28
1927	30,000	5,644	22
1928	30,000	5,387	21
1929	40,000	-	
1930	40,000	76	
1931	40,000	6	
1932	40,000	2	5
1933	40,000	1,285	5
1934	40,000	2,052	7

1935	40,000	3,078	8
1936	40,000	3,592	10
1937	40,000	2,565	4
1938	40,000	1,026	7
1939	40,000	1,796	
1940			
1941			
1942			
1943-1946			
1947	40,000		6
1948	40,000	2,400	6
1949	40,000	2,400	6
1950	40,000	3,600	9
1951	40,000	2,400	6
1952	40,000	2,800	7
1953	64,000	6,400	10
1954	64,537	5,163	8
1955	64,600	2,584	4
1956	65,507	3,930	6
1957	65,558	3,933	6
1958	65,558	10,387	18

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Source: NA, The Hague: Deli Maatschappij, vol. 15, 39, 40, annual reports to shareholders.

*Appendix V. Educational achievements at the Deli Company, 1925-1938.*

	Schools	Pupils	Coolies	Deli Cy.'s share of total coolie population (%)
1925	27	1389	37,791	
1928			37,900	11.9
1930	30	2144	43,169	12.1
1932			27,226	12.7
1935	26	1996	33,541	
1938	27	2290	38,824	

Source: Deli Planters Vereeniging, annual reports 1925-1938. See also: Touwen, *Extremes in the archipelago*, 390.

*Appendix VI. Expenditure and educational achievements at the Billiton People's Fund, 1928-1949.*

	Annual expenditure	Vocational course at Manggar	
	(guilders)	Students	Graduates
1928	31,829	58	-
1929	36,031	93	12
1930	42,262	112	13
1931	53,110	121	32
1932	36,846	90	21
1933	29,514	48	19
1934	26,399	44	23
1935	28,778	44	-
1936	27,274	59	14
1937	24,785	66	22

1938	25,289	73	20
1939	20,838	75	24
1940	21,689	82	23
1941	25,534	84	21
1949		46	25

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Source: NA, The Hague: Billiton, vol. 490, Bevolkingsfonds Billiton, annual reports.

*Appendix VII. Number of patients treated by Billiton medical care, 1930-1941.*

1930	6,918
1931	9,707
1932	9,304
1933	12,386
1934	15,534
1935	17,885
1936	19,360
1937	17,250
1938	18,362
1939	19,656
1940	26,756
1941	31,089

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Source: NA, The Hague: Billiton, vol. 490, Bevolkingsfonds Billiton, annual reports.

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