

## THE ECONOMIC DECOLONIZATION OF SUMATRA

J. THOMAS LINDBLAD<sup>1</sup>  
*University of Leiden*

Sumatra occupies a special place in the history of Indonesian decolonization. Several leading figures in the Indonesian Revolution came from this island and here the confrontation with vested interests of remaining Dutch capital took on an especially dramatic shape. Control over the island's economic resources moved back and forth during the two Dutch military interventions, in mid-1947 and 1948-9, whereas the final formulation of terms under which Indonesian independence was acknowledged by the Netherlands had enormous consequences for the Dutch firms still operating in Sumatra. Confrontations continued throughout most of the 1950s as Dutch business retained control over production in the face of mounting trade union militancy and unresolved disputes over land occupations. It all came to a cataclysmic conclusion in 1957-9 when remaining Dutch corporate assets were seized and eventually nationalized. The full history of Sumatra's economic decolonization still needs to be written but this article is intended as a first contribution towards that end.<sup>2</sup>

The aim of this study is to link developments before and after the nationalization of Dutch enterprises while giving special attention to the issue of *indonesianisasi* or the elevation of Indonesians into management and supervisory positions in Dutch-controlled enterprises.<sup>3</sup> Two highly different case studies are presented. The first one concerns one individual manufacturing enterprise in Padang, West Sumatra, a cement factory, where

---

<sup>1</sup> J. Thomas Lindblad (thomaslindblad@hotmail.com) is an Associate Professor teaching Economic History for the Department of History, and History for the Department of Southeast Asian Studies at the University of Leiden.

<sup>2</sup> An earlier version of this article was presented at an international workshop on the decolonization of Sumatra held at Padang, West Sumatra, on 1-2 August 2005. The North Sumatra case study was also incorporated into a paper presented at an international workshop on 'The economic decolonization of Indonesia in regional perspective', held at Leiden, the Netherlands, on 18-19 November 2005. See also my *Bridges to New Business: The Economic Decolonization of Indonesia*. Leiden: KITLV Press, 2008.

<sup>3</sup> For a comprehensive discussion, see John O. Sutter, *Indonesianisasi: A Historical Survey of the Role of Politics in the Institutions of a Changing Economy from the Second World War to the eve of the General Election, 1940-1955*, PhD thesis, Cornell University, 1959.

preserved qualitative information permits a reconstruction of events in some detail. The second case study focuses on the estate agriculture, the foremost sector of the export economy of the province of North Sumatra. Here the analysis, by necessity, draws heavily on summary accounts and global statistics.<sup>4</sup> The two case studies thus complement each other in terms of variation in type of production line, geographical dispersion, and different levels of observation.

### **Cement in Padang**

The full name of the Padang cement factory was *Nederlandsch-Indische Portland Cement Maatschappij* (*Maatschappij* = 'Company'). It was founded in March 1910 by the Veth Bros. Trading Company (Gebroeders Veth's Handel-Maatschappij) in Amsterdam upon discovery of stone well-suited for cement production at Indarung, 15 km outside Padang. Operations began in 1913 and production gradually increased towards a peak in 1939 when the four kilns delivered a total of 170,000 tons. It was the oldest factory of its kind in Indonesia, counting 1300 employees, and it was widely considered to be of strategic importance. The first three decades of operations were rather uneventful with a continuous and profitable exploitation and the Veth Bros. at the helm. Things changed dramatically and often during the subsequent two decades.

The Japanese army entered Padang on 17 March 1942 and immediately took command over the cement factory which had just been abandoned by the Dutch managers leaving it in charge of an Indonesian employee, Dusun Malin Kayo, who had worked for the company since 1924. The Japanese military authorities placed the enterprise, now renamed Indarung Cement Factory, under Asano Cement which had its headquarters in Tokyo. Using information provided by Pak Dusun, as he was usually called, and with the aid of six Dutchmen fetched from internment camps, including former manager W.J. van Konijnenburg, the Japanese authorities succeeded in resuming operations by August 1942. The direct involvement of the Dutchmen and Pak Dusun lasted one year; then the managers from Asano determined they did not need any further assistance.<sup>5</sup> Production rose to 85% of pre-war capacity. The factory's chief customer was the Japanese armed forces. On 24 August 1944, heavy Allied bombings of Indarung left 19 dead and 300 wounded and reduced production to a fraction of its pre-war

---

<sup>4</sup> Unless otherwise stated, information on the two case studies comes from documents in the archives of PT Semen Padang, Indarung, West Sumatra, and Bank Agro, Medan. I am grateful to Undri, student of history at the Andalas University in Padang, for his assistance in consulting these archives.

<sup>5</sup> Report by H. Dusun Malin Kayo, 5 July 1986, PT Semen Padang archive, Indarung.

capacity. Conditions only deteriorated further during the remainder of the Japanese occupation.

The situation was highly confused immediately upon the proclamation of Indonesian independence on 17 August 1945. Revolutionary zeal ran high in Padang and in September 1945 a gathering at the local mosque decided that the cement factory should henceforth be operated by the government under a new name, Kilang Semen Indarung (*kilang* = 'mill'). In October 1945, the Japanese managers handed over management to Pak Dusun and one other Indonesian employee of long standing, M. Sirun Rajo Leman. These two interim managers appointed eight heads of department, all indigenous Indonesians, and enlisted the assistance of four foreign advisors of non-Dutch nationality (two from Denmark, one from Switzerland and one from Romania). The difficulties in operating the factory were considerable. The labour force had fallen to only 300 persons and shipping connections within the archipelago were largely in Dutch hands. Some production probably did take place, albeit on a modest scale.<sup>6</sup>

The next shift of fortune at Indarung came with the Dutch military action in July and August 1947. Padang was conquered and Dutch managers re-entered the factory, which by then had been deserted. During the next several months, Van Konijnenburg and his staff restored production facilities under highly adverse conditions. Much machinery was missing or damaged, there was an urgent shortage of trained personnel, and deliveries outside the region were impaired by bottlenecks in transportation. But the reinstated Netherlands Indies government came to the rescue with a loan of 3 million guilders, almost exactly corresponding to the firm's total equity. Production was resumed at one-third of pre-war capacity in April 1948 and rose to two-thirds in January 1949 when the fourth kiln came on stream again. The company, under its former Dutch name, was incurring losses but there was confidence among the Dutch managers that pre-war capacity would soon be fully achieved.<sup>7</sup>

At the Round Table Conference in the second half of 1949, the conditions were negotiated under which the Netherlands would acknowledge the independence of Indonesia. One provision guaranteed continued operations of Dutch enterprises in Indonesia, which offered a feeling of relief to the Dutch managers of Padang cement who asserted their regained power

---

<sup>6</sup> Nederlandsch-Indische Padang Portland Cement Maatschappij, *Verlag over het jaar 1948*, Amsterdam: Gebr. Veth, 1949, p. 5; Mestika Zed, Hasril Chaniago and Khairul Jasmi, *Indarung: Tonggak sejarah industri semen Indonesia*, Jakarta: Sinar Harapan, 2001, pp. 122-3. The sources contradict each other on the point of production. According to the Dutch source, there were no operations at all prior to 1947 but local sources claim some production did take place for local consumption. The figure cited in the latter source, 80,000 tons in 1946, is probably too high.

<sup>7</sup> Nederlandsch-Indische Padang Portland Cement Maatschappij, pp. 4-7.

under a shortened company label, Padang Portland Cement Maatschappij. Total output increased steadily, from 136,000 tons in 1950 to 154,000 tons in 1957.<sup>8</sup> In 1954, Van Konijnenburg stepped down and was replaced by his associate manager, J. E. van der Laan. Official interference with company affairs appears to have been scant. Considering the strategic importance of cement production, the Indonesian government chose another option and erected a second cement factory. The factory at Gresik, near Surabaya, was fully government-owned and began producing in 1957.

The seizure of Dutch companies throughout Indonesia in early December 1957 immediately affected the Padang cement factory. Operations were taken over by the local trade union, a branch of the nationwide central organization of labourers, SOBSI (Sentral Organisasi Buruh Seluruh Indonesia). According to eyewitnesses, things did not work well after the Dutch supervisors had departed.<sup>9</sup> The armed forces were suspicious of Communist sympathies among the SOBSI activists and did not permit the SOBSI regime to last too long. An army official, Colonel Soeprayogie, was dispatched to take command for the time being but it is unlikely that this had much of an effect on daily operations where production was already dropping far below capacity levels.

The situation grew even more complex with the establishment of a 'Revolutionary Government', PRRI (Pemerintah Revolusioner Republik Indonesia) in West Sumatra in February 1958. Many workers fled to nearby forests, either to seek protection or to support the PRRI movement. In the wake of the PRRI uprising, Soeprayogie was replaced by two high-ranking officials from the ministry of industry in Jakarta, Sardu Ismunandar and J. Sadiman. Shortly afterwards, the cement factory was incorporated into a newly-founded executive authority for manufacturing and mining enterprises, BAPPIT (Badan Penyelenggara Perusahaan-perusahaan Industri dan Tambang). Control over production was thus no longer entrusted to local figures, whether from a trade union or the army. The rapid shift to civilian control was motivated by the extraordinary circumstances in Padang. The government in Jakarta wished to rule out any influence by PRRI-associated elements but it also wanted to detach the issue of nationalization from the suppression of the regional rebellion.

One of the first tasks of the Jakarta managers arriving in Indarung was to prepare for nationalization. On 5 July 1958, Van der Laan officially surrendered the factory to Sadiman representing the Indonesian government. It was a solemn ceremony but the atmosphere was apparently not very

---

<sup>8</sup> Zed, Chaniago and Jasmi, *Indarung*, pp. 126, 134. Also, see Freek Colombijn, *Patches of Padang. The History of an Indonesian Town in the Twentieth Century and the Use of Urban Space*, Leiden: Centre for Non-Western Studies (CNWS), 1994, p. 381.

<sup>9</sup> Asmulyadi, 'Nasionalisasi pabrik semen Padang dan dampaknya terhadap peningkatan kapasitas produksi, 1958-1977', BA thesis, Andalas University, Padang, 1994, p. 33.

tense.<sup>10</sup> Van der Laan, who spoke Indonesian, had proved highly cooperative and was said to understand that nationalization was inevitable.<sup>11</sup>

Legal terms for nationalization were laid down on 27 December 1958 but only on 14 October 1959 did the Padang cement factory, together with 166 other BAPPIT-affiliated firms, formally become property of the Indonesian state under a new name, BAPPIT Pusat Semen Padang (*pusat* = 'centre'). The Veth Bros. joined the general protest from the association of Dutch employers in Indonesia in December 1959 but also started making plans for a new cement factory in the Netherlands.<sup>12</sup> On 17 April 1961 the company's status was again altered. It was reconstituted as a state enterprise, PN (Perusahaan Negara), with a total equity capital of Rp. 55 million, all furnished by the government. The chief executive reported directly to the Minister of Industry and Mining and all members of the directorate had to be Indonesian citizens living in the location of the factory. Later still, in 1971, Semen Padang became a limited liability, PT (Perseroan Terbatas) company with all shares in possession of the Indonesian state.

Conditions of production were intolerable after the eventful first half of 1958. The machinery was worn out, virtually all Dutch technical staff had left, while supply and delivery lines remained unreliable due to the unstable political situation in the region. Total output in 1958 was scarcely more than 80,000 tons, less than one-half of capacity. Two individuals in particular were instrumental in rehabilitating operations. One was the sole remaining Dutchman, F. Boom, a technical expert who had married a local woman and apparently been shunned by fellow-Dutchmen—in 1942 he had also been fetched from the internment camp to help start up production. Boom assembled a group of young workers with hands-on experience only and little formal education. Together they got the machinery working again. The other person was Setyatmo, a young engineer from the Gresik cement factory, who in early 1959 was appointed associate manager and in fact assumed full responsibility for local operations since his superior, Sadiman, was stationed at the BAPPIT head office in Jakarta. Setyatmo recruited several new labourers and managed to raise production to 121,000 tons in 1959, 50% above the level in 1958 but far below capacity.<sup>13</sup> In 1961, as the legal status

---

<sup>10</sup> *Indonesia Raya*, 8 July 1958; *30 Tahun Pengambil Alihan Pabrik Semen Padang*, Padang: Humas Semen Padang, 1988, p. 22.

<sup>11</sup> Asmulyadi, pp. 34-5; Zed, Chaniago and Jasmi, *Indarung*, p. 150. This account is based on interviews with Sadiman many years later. Apparently, Sadiman recollected that Van der Laan did not press the issue of compensation since the Dutch state was the owner. This is emphatically wrong. The Padang cement factory had only private individuals as its owners.

<sup>12</sup> Padang Portland Cement Maatschappij, *Verlag over het boekjaar 1959*, Amsterdam: Gebr. Veth, 1960, p. 3.

<sup>13</sup> Asmulyadi, p. 42; Zed, Chaniago and Jasmi, *Indarung*, pp. 151-7.

of the firm was changed, Setyatmo, now aged 33, succeeded Sadiman as general manger.

The difficulties in resuming operations at the Padang cement factory immediately upon nationalization suggests that little had been achieved in terms of transferring responsibilities and skills to the Indonesian staff during the preceding years. One exception to the rule, notable for more than one reason, was Pak Dusun, who returned to company service in 1950 and became head of the warehouse in 1954. In 1959 the total labour force was reported at 1330 persons, including 43 supervisory staff members and 115 office workers. The supervisory staff had been larger in Dutch times, 54 persons. During the next several years, production seems to have stayed below capacity and only after massive fresh investment in the early 1970s did output climb to an unprecedented high level of 250,000 tons.<sup>14</sup>

The case study of the Padang cement factory is interesting for several reasons. It offers an insight into how nationalization, indeed repeated nationalization, worked out in practice at the micro level of the individual enterprise. It also tells us about the repeated difficulties in starting up production in 1942, 1945, 1947/48 and 1958/59. Finally, it underscores the importance of individuals such as Van Konijnenburg, Pak Dusun, Boom and Setyatmo, who occasionally played a crucial role when conditions of operations were changing dramatically. There was not much preparation for such change and efforts by these individuals became decisive. Amongst them, the two with lowest formal status, Pak Dusun and Boom, had the least access to external support but probably the most extensive knowledge of local conditions.

### **Estate Agriculture in North Sumatra**

North Sumatra was, and still is, renowned as Indonesia's foremost concentration of estate agriculture supplying the world market with large quantities of rubber, palm oil and tobacco. The region was rightly considered to be of singular importance to both foreign investors and Indonesia's economic development in general. The first Dutch military intervention, in mid-1947, was, not accidentally, labelled *Operatie Product*, aiming at restoring full Dutch control over the estate agriculture in Sumatra. Foreign capital owners, mainly but not exclusively Dutch, continued to play first fiddle in the regional economy after Dutch acknowledgement of Indonesian independence in late 1949 although conditions of operations were rapidly changing. The second case study offers a bird's eye impression of events unfolding in the late 1950s.

---

<sup>14</sup> *Sejarah Singkat PT Semen Padang*, Padang, n.d. [c. 1999], p. 116, appendix.

The most important export crop in North Sumatra was rubber occupying about 70% of the some 340,000 hectares of planted area in the province with the remainder planted with palm oil and tobacco. There were about 240 individual estates, about 95 with Dutch owners, at least 120 with non-Dutch foreign owners leaving less than 25 in possession of Indonesians. The Sumatra Planters' Association (SPA) distinguished between eight large clusters of foreign-owned estates, each with a planted area in excess of 15,000 hectares. Four were Dutch: two in rubber, RCMA (Rubber Cultuur-Maatschappij Amsterdam) and the trading firm HVA (Handels Vereniging 'Amsterdam'); and two in tobacco, the well-known Deli Company (Deli Maatschappij) and Senembah. Two of the clusters were subsidiaries of American giants in the rubber industry, US Rubber and Goodyear, one was controlled by the British managing agency Harrisons & Crosfield, known for its large holdings on the other side of the Straits of Malacca, whereas yet another one belonged to the Belgian palm oil concern SocFin (Société Financière des Caoutchoucs).<sup>15</sup> These summary statistics convey how great the impact was bound to be if the Dutch-owned estates were seized and nationalized.

Output at the rubber estates climbed from slightly less than 100,000 tons annually in the late 1940s to a peak at 155,000 tons in 1953 eventually reaching a stable level around 140,000 tons by 1956, which was far above pre-war levels of production. Palm oil followed a similar path, from less than 120,000 tons in the late 1940s to more than 150,000 tons in 1953, but continued to expand towards a peak of 165,000 tons in 1955 and 1956 but that still remained below what had been produced in the late 1930s (more than 200,000 tons). Post-war performance was especially unimpressive for tobacco where the level of output in the early 1950s, an average of 3500 tons, remained a far cry from pre-war production (14,000 tons in 1938).<sup>16</sup>

The 1950s were times of contradictions. There was a profound contrast between the increasingly assertive, even nationalist Indonesian government and its policies on the one hand and retained Dutch control over key economic assets on the other. Favourable prospects in international markets for the major export commodities from North Sumatra also contrasted with increasing tensions in the sphere of production at home. Two issues in particular signified that conditions of operations had changed radically: labour unrest and the so-called 'agrarian question' or occupations of estate land by local dwellers. The former was a logical outcome of trade unionism that obviously formed part and parcel of the open political system of the early Sukarno administration, in combination with high expectations of the

---

<sup>15</sup> 'Inquiry into the nationality of individual SPA-member companies', 5 November 1958, Sumatra Planters' Association, Bank Agro archive, Medan.

<sup>16</sup> AVROS, *Statistische gegevens*, Medan, 1956, tables II, III; GAPPERSU, *Angka-angka statistik*, Medan, 1960, tables II, III.

material benefits to be reaped from independence even in the short run. The land occupations originated in the confused times of the second half of the 1940s when lines of authority broke down and legal rights safeguarded under colonial rule were confronted with traditional local claims. On either account, the Indonesian government found itself literally at the firing line of confrontation being sympathetic to labourers' wage demands and squatters' needs but also compelled to curb inflationary tendencies, safeguard foreign investment and uphold law and order in general. In the end, this resulted in a continuous alternation between appeasement and restraint that is likely to have satisfied neither side.

Labour unrest in North Sumatra may be measured by numbers of working-days lost due to strikes. This number increased steadily, from less than 200,000 in 1952 to 560,000 by 1956.<sup>17</sup> In December 1956, however, martial law was imposed in North Sumatra in reaction to a failed coup attempt. This emergency condition was prolonged by Sukarno's nationwide imposition of 'state of war' (*staat van oorlog en beleg*) in March 1957. After that, labour unrest declined fast.

For years at length, negotiations dragged on between the Indonesian government and the employers' organization, AVROS (Algemene Vereniging van Rubberplanters ter Oostkust van Sumatra, General Association of Rubber Planters in East Sumatra), forerunner of the SPA, about how to resolve the issue of land occupations. Meanwhile, the area in permanent use by squatters in North Sumatra continued to rise, from 80,000 hectares in mid-1954 to almost 115,000 hectares by the end of 1956.<sup>18</sup> At long last, in September 1957, the estate owners agreed to release land that was not considered essential for continued profitable operations. Maps were to be provided by the estates but the entire procedure was slowed down by the takeover of Dutch enterprises in December that year. On Dutch estates, the owners did not wish to cooperate whereas the new, Indonesian managers were hesitant to make unauthorized commitments. Interestingly, however, the 'agrarian question' survived the takeover of Dutch which demonstrates that it was more a conflict about use of land than part of the Indonesian struggle for economic decolonization.

With an increasingly heated political climate, martial law, widespread labour unrest and the unresolved land conflict, one might expect some anticipation among the Dutch estate managers in North Sumatra of what was to come. A logical measure of accommodation would have been to create

---

<sup>17</sup> AVROS, table XII; GAPPERSU, table XII.

<sup>18</sup> GAPPERSU, table XIII. Higher figures appear in the secondary literature, for instance, 145,000 hectares in 1951; Karl J. Pelzer, *Planters against Peasants. The Agrarian Struggle in East Sumatra, 1947-1958*, The Hague: Nijhoff, 1982, p.152. Such discrepancies may be explained by the difference between temporary and permanent settlement as well as between planted area and land held under concession by the estates.



more opportunities for Indonesians in supervisory and management functions but there is little conclusive evidence that this indeed happened. Interestingly, however, the AVROS organization itself by 1957 counted 87 office employees of whom 52 Indonesian citizens (including Indonesians of Chinese descent). The upper layer of the staff, 44 individuals, consisted of one-third Indonesian citizens but all top positions were held by Dutchmen.<sup>19</sup>

The takeovers in North Sumatra followed shortly upon the actions in Jakarta in early December 1957 and, as elsewhere, local trade unions took the initial steps. Yet, within days, command over management of operations was being transferred from civilian to military authority in accordance with explicit government orders. All appropriated estates were brought under the umbrella of a new agency for state-owned agricultural enterprises, called PPN-Baru (Perusahaan Perkebunan Negara, *baru* = 'new'). PPN-Baru grew out of the existing organization for state-owned estates, henceforth PPN-Lama (*lama* = 'old'). The flavour of rapid change was manifested in the list of attendance at the extraordinary general meeting of AVROS in Medan in late December 1957, shortly before AVROS became GAPPERSU (Gabungan Pengusaha Perkebunan Sumatera) or the Sumatra Planters' Association. At this meeting, the Dutch chairman, J. Fernhout, was replaced by an Indonesian of Batak origin, M. Manik, who presided over a congregation of twenty-one Dutchmen, four other foreigners, three Indonesian Chinese and three indigenous Indonesian representatives of estates.<sup>20</sup>

Although under Indonesian military supervision, the estates remained Dutch property. The law on nationalization of appropriated Dutch property was promulgated on 27 December 1958 but applied retroactively back to 3 December 1957. Scores of difficulties impaired daily operations at the estates in 1958. The army officials in charge had expected to be able to draw on Dutch technical expertise. In the event, there was a massive exodus of Dutch staff during the first quarter of 1958 resulting in a rather chaotic situation in which local Indonesians with little or no formal training took up management and supervisory positions. Crash courses for estate staff were organized by the GAPPERSU at the Agricultural Institute in Bogor (Institut Pertanian Bogor), but it obviously took some time for effects to materialize. A serious conflict with the trade unions on wages erupted in July 1958 and was only resolved after six months of negotiations. Shipping connections deteriorated, prices increased and extensive requisitioning of vehicles by the army in the interest of peace-keeping became a common nuisance. Production over the

---

<sup>19</sup> Appendix to minutes of the general meeting of AVROS, Medan, 16 April 1957, Bank Agro archive, Medan.

<sup>20</sup> Extraordinary meeting of AVROS, Medan, 20 December 1957, Bank Agro archive, Medan.

whole year, compared to 1957, fell by 6.5% in the rubber industry and by 8% in palm oil.<sup>21</sup>

Adverse conditions continued into 1959 with a further drop in the output of rubber and palm oil, increasing land occupations and declining security. On average every day, a disturbance of the peace was reported at one of the region's estates. There were no less than 51 casualties during such incidents, of whom one-half were estate workers, which was more than twice as many as in 1957. Victims included one estate manager and a chief assistant.<sup>22</sup> Eventually, a reorganization of the formerly Dutch estates was undertaken. Military supervision of daily operations was removed and all estates, covering a total area of 207,000 hectares, were brought under direct responsibility of the PPN-Baru and split up into nine units, labelled SUMUT (Sumatera Utara or North Sumatra) I—IX. The largest one of these new business units was SUMUT I consisting of 22 tobacco estates, formerly belonging to the Deli Company and Senembah, covering in total almost 42,000 hectares.<sup>23</sup> Such an arrangement suggests continuity in business administration with respect to the Dutch regime.

A glance at the global dimensions of the estate industry shortly before and shortly after the takeover and nationalization of Dutch firms reveals the extent to which important changes had indeed taken place. The most conspicuous change was of course in ownership patterns: three-fifths of the entire planted area was now controlled by the Indonesian state whereas British, American and Belgian investors owned the rest.<sup>24</sup> Planting of rubber and tobacco had been enlarged at the expense of palm oil reflecting an immediate response to improved market prospects for these two commodities. The total planted area at the estates in North Sumatra was back at 370,000 hectares, not very different from the situation in 1938 before any land occupations had taken place at all. The total labour force at the estates amounted to 203,000 persons, 10,000 less than had been the case in 1955.<sup>25</sup> Considering that the labour force may have fallen considerably during the upheavals of between 1955 and 1960, the figure for 1960 reflects a restoration of capacity in terms of available labour.

---

<sup>21</sup> Enclosure II of records of the general meeting of the Sumatra Planters' Association, Medan, 30 April 1959, in Bank Agro archive, Medan. Detailed information is also given in a Dutch-language report by chairman, P. Siregar, of the Financial and Economic Department of GAPPERSU, 13 April 1959, in the same archive.

<sup>22</sup> Annual report, Bahagian Agraria of GAPPERSU over 1959, 1 April 1960, in Bank Agro archive, Medan.

<sup>23</sup> Rapat Umum Anggota-Anggota GAPPERSU, 10 May 1962, in Bank Agro archive, Medan.

<sup>24</sup> Ibid.

<sup>25</sup> AVROS, tables I, VIII; GAPPERSU, tables I, IX.

The case study about the agricultural estates in North Sumatra is especially illuminating with respect to continuity on several accounts in the face of dramatic changes in the ownership and management of production facilities. Bottlenecks in carrying out daily operations due to labour unrest, conflicts about land and a general lack of security survived the takeover and nationalization of Dutch estates. There seems to have been continuity also in terms of administration of the estates and their total production capacity. In a wider perspective, therefore, much probably remained the same in North Sumatra, except for the once strong and predominant Dutch settlement in the region.

## Conclusion

The main aim of this contribution was to link events before and after the seizure and nationalization of Dutch enterprises in Sumatra in the late 1950s. For this purpose, two widely different case studies were presented concerning one single enterprise in West Sumatra, the Padang cement factory, and the entire sector of estate agriculture in North Sumatra. Both case studies demonstrate the importance of adopting a longer time horizon than has often been done in the literature. In both regions, perhaps by coincidence, failed coup attempts and subsequent military rule provide the general background against which economic decolonization was accomplished.

The case of the Padang cement factory shows that Indonesian takeover management and even nationalization need not be a sole, isolated event. On occasion, shifts in management and even ownership occurred a number of times. In addition, the role of enterprising individuals leading the repeated start-ups must not be underestimated. The case of the estates in North Sumatra, by contrast, stresses lines of continuity between the periods leading up to the takeovers and their immediate aftermath, although this did not necessarily apply to all involved. The main break of continuity here lay in the very process of *indonesianisasi*, a shift from a traditionally very limited scope of responsibilities to full command of the formerly Dutch-owned estates. In short, in Padang history repeated itself whereas in North Sumatra it continued on its own accord.