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CHINESE MINORITY IN INDONESIA

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THE CHINESE MINORITY IN INDONESIA

September 1958

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THE CHINESE MINORITY IN INDONESIA

*U.S. Central Intelligence Agency*

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THE CHINESE MINORITY IN INDONESIA

Scope and Limitations

This study examines the problem of the Chinese minority living in the islands of the Republic of Indonesia. It presents a brief treatment of the origins, numbers and distribution of the Chinese population, and discusses the economic, cultural and political impact of the Chinese on Indonesia. Basic issues confronting the Indonesians and Chinese are reviewed. A statement is also included of the principal complaints most frequently voiced by Indonesians and Chinese against each other. The report, which is based largely on unclassified information, is limited to the position and activities of the Overseas Chinese resident in Indonesia; it does not include treatment of any other foreign minority in the area.

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THE CHINESE MINORITY IN INDONESIA

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THE CHINESE MINORITY IN INDONESIA

Summary

The two and one-half million Overseas Chinese, comprising approximately three per cent of the population of Indonesia, constitute a racial problem for the Republic of Indonesia. Socially and culturally aloof, intensely proud of being Chinese, disproportionately wealthy with a strangle hold on the economic life of the archipelago, they are considered by the Indonesians as their greatest internal political problem. This political problem is complicated by the hold the Nationalist and Communist Chinese governments have on all their nationals overseas.

In attempting to find a solution to the problem posed by the complexities of the Sino-Indonesian relationship, ethnocentric attitudes have blinded most responsible leaders of both groups to some of the more promising possibilities. These possibilities for solution are basically in the political area and depend upon whether the indigenous Indonesians can divest themselves of their prejudices regarding the Chinese and receive them as full citizens of the Republic; and whether the Chinese can throw off the dual citizenship control of their motherland and give their unqualified support to the Republic. Although the Indonesian Cabinet is currently considering implementation of the dual nationality law, no formal agreement between the government and the Chinese Nationalists has been reached to date.

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THE CHINESE MINORITY IN INDONESIA

I. Background

A. Origins

Chinese trading contacts with Java and Sumatra date from AD 400, but permanent settlements in the islands were not mentioned until during the Ming Dynasty (1368-1644). The establishment of the Dutch East Indies Company in 1602 resulted in a sharply increased immigration of Chinese commencing in 1619. 1/ These settlers originated from three distinct areas of mainland China with each area speaking an individualized dialect. From the South China mountainous area came the Hakkas; sturdy, freedom-loving, hard working toilers of the soil who initially engaged in agricultural projects in their new homes. From the Canton and West River Delta area of Kwangtung came the Cantonese; men with a background of never being satisfied with their present living conditions and thus determined to seek fame and fortune in commerce and trade. From Fukien Province, especially from around the vicinity of Amoy and Foochow, came the Hokkiens; stubborn, hard-headed sailors and business men with one idea in mind (held by many overseas Chinese to this day) of amassing a fortune by any means necessary and retiring to their native villages to live in plenty in their old age. From these southern areas of China, the Hokkiens furnished approximately 47 per cent of the immigrants, the Hakkas 21 per cent, and the Cantonese 12 per cent, with smaller groups of Teochiu, Hainanese and others supplying the remainder of the Chinese settlers. 2/

B. Number

The last official census, taken in Indonesia in 1930, placed the Chinese population at 1,200,000. Since that date the Chinese have increased steadily, according to competent observers, reaching a total of 1,900,000 in 1947, two million in 1950, and 2,500,000 in 1957. 3/

With the population of Indonesia estimated in 1957 at approximately 84 million, the Chinese settlers form about three per cent of the inhabitants, the largest and most important minority group.

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C. Distribution

Geographically, the Chinese are distributed within the confines of the Republic as follows:

a. The Hokkiens form over one-half of the Chinese population in Java and Madura, and comprise approximately 60 per cent of the Chinese residents of the Celebes and the Moluccas. They predominate in the cities where Chinese are found.

b. The Hakkas are in the majority of the Chinese inhabitants in west Borneo, Bangka and Billiton. They are also present in Java, east Sumatra and in the Riouw archipelago. In the Celebes and Moluccas they form 10 per cent of the Chinese population.

c. The Cantonese are more widely distributed than any of the other Chinese groups. They are found in Java, east and south Sumatra, Bangka and Billiton, and form about 30 per cent of the Chinese living in Celebes and the Moluccas.

d. The Teochius are distributed similarly to the Hakkas; the Hainanese are mostly urbanized and live in almost all cities of the Republic, while the remainder of the smaller groups of the Chinese are generally found along the east coast of Sumatra. 4/

As a result of military operations between the Dutch and forces of the Indonesian Republic, the Chinese migrated in large numbers to the various cities with the result that there are presently large numbers of them found in Djakarta, Surabaya and Palembang. 5/

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II. Impact on Indonesia

A. Economic

The economic grip which the Chinese hold over the economy of Indonesia is probably the basic cause of the indigenous peoples' resentment and fear of the Chinese minority. Everywhere they dominate the commercial life of the islands, especially in the internal wholesale and retail trades. They control 95 per cent of industry. All efforts to extend the participation of Indonesians in these fields has so far had little success. 6/ With the advent of the Republican government, partially effective government controls, coupled with changing political and economic conditions, have forced the Chinese into new patterns of living and even into some illegal activities. This development seems likely to alter adversely their relationships with the native peoples but unlikely to endanger the Chinese economic hold over the area. The increasing urbanization of the Chinese has accentuated their aggressiveness, social aloofness, and disproportionate wealth as compared with the country's nationals, whose own standard of living has declined in the post-war period. Foreign exchange and other controls have transformed many of the Chinese into smugglers and black marketeers, and such operations have increased their wealth and their unpopularity. 7/ A metaphor, which has become a cliché, aptly portrays the impact of the Chinese minority on the economy of Indonesia: the Chinese do not mind who holds the cow so long as they can milk it! 8/

In the early days of the Dutch East Indies Company, the Chinese were permitted to settle in the various islands. However, even before the European incursion, the Chinese, who had been trading in the archipelago since probably before the time of Christ, were perhaps the most important foreign group in the bazaar states, often living within the castle walls, advising the local king, and maintaining close commercial ties with merchants in China. Asiatic, but bound neither by the ritualistic constraints of Hinduism or the legalistic ones of Islam; economically skilled and marvelously adept at political fence-sitting; tightly organized and industrious to a fault; and, perhaps most important, possessed of a calm sense of their own cultural superiority to both the Dutch and the Javanese, they were Java's most successful "marginal men." As such the Dutch soon found them indispensable as intermediaries between themselves and the native population, fulfilling economic and political functions Europeans could or would not fulfill themselves. 9/

This explains how the Chinese secured their foothold in Indonesia and why they have succeeded in their dominant economic position throughout the islands.

1900 was an important year in the economic life of the islands. As a result of a decline in all businesses, and thus in profits, the jealousies of the Europeans in Indonesia were directed toward the Chinese. The Europeans maintained that the strong economic position of the Chinese minority was due to Chinese exploitation of the improvidence and vices of the natives. 10/ Until this time, a great deal of the wealth of the Chinese was derived from opium shops, pawn shops and usury. Having a monopoly of opium, the Chinese vendors were in a position to push the sale of this harmful drug--an opportunity of which they took full advantage. As pawn brokers they fixed their terms for loans "with reference to the need of the borrower rather than to the value of the pledge he offered." The pawnshops were often illicit opium dens. In other forms of money-lending their operations were equally "unconscionable" in that they aimed to get the native officials in their power and used this power to oppress the agricultural cultivators. Even when ostensibly engaged in commerce, they were equally engaged in money-lending, and they had such a stranglehold on the batik (native cloth) industry in particular that the native craftsman was little better than a slave. Regulations made by the government to protect the native from these forms of extortion and oppression were rendered largely inoperative by the combination of the Chinese among themselves through their secret trade organizations to defeat those regulations. 11/ Thus in 1900 the government passed regulations abolishing the opium shops and established State pawnshops and facilities for agricultural credit which had a revolutionary effect on the Chinese economy. Chinese were in the unenviable position of middlemen, exposed to the animosity of two opposed forces, the natives and the Europeans, though useful as a buffer between them. High officials of the period gave support to the theory of the detrimental role of the Chinese in Indonesian society, and many of them regarded them as the "main cause of the diminishing welfare of the Indonesians." These regulations were all detrimental to the interests of the Chinese, for in one case they took away a business that had been theirs for centuries, and in the other they created competitors to them backed by all the capital and resources of the government. 12/

Consequently, the Chinese had to seek new outlets for their idle capital. They found two new enterprises. One was in speculation in land which entailed purchasing large private estates. 13/ Chinese and all foreigners in

Indonesia were greatly circumscribed in this activity due to laws which prohibited them from owning farm lands. The other enterprise was in the banking field and subsequently in the development of industry. In these new fields to which they put their riches, the Chinese became intimately associated with capitalist production and therefore into close alliance with the European community. Thus the Chinese have been able to turn discriminatory legislation against them into personal means of further inroads into the economic life of the Republic.

With the advent of the second world war, a financial depression occurred in Indonesia due to the collapse of Dutch business interests and their capitalistic financing of trade and industry. The back of the Indonesian mercantile enterprise was broken in the crash. The Chinese now took over--not only the more capitalized trades such as hardware and passenger trade, but even such traditional Indonesian commercial strongholds as cigarettes and textiles fell in large part into Chinese hands. These Chinese hands were not, for the most part, those of the traditional peranakans (Chinese born in Indonesia), but of the aggressive singkehs (Chinese who came directly from the mainland), who had steadily increased in number and strength throughout the whole prosperity period and who now took the commanding position within the commercial community they still maintain, squeezing out the traditional element both among the Chinese and the Javanese. As the singkehs took over the buying of dry season crops in the rural sector, so they took over the greater part of the retail, wholesale and small factory sector of urban life. Where there had previously been several groups, of whom the Chinese were admittedly clearly the strongest, competing for income shares within the market sector, now the singkehs began to loom over all the others. 15/

The resilience and resourcefulness of the Chinese was further shown in 1946 when Chinese trade was temporarily paralyzed at the time that the Republican currency was put into circulation. Many Indonesians thought that the Chinese advantage in trade had at last been destroyed and that the Indonesians could now meet them on equal terms, but they soon found they had miscalculated the abilities of the Chinese to extricate themselves from this temporary setback. A few years before this, during the occupation of the islands by the Japanese forces, the invaders had transferred to the Republic many economic assets including a number of rice mills which belonged to the Chinese. In addition, the Indonesian politicians introduced new laws

of citizenship with disabilities for aliens, whose object was to absorb a great quantity of Chinese manpower and to obtain control of Chinese property and their wealth. Trade restrictions were introduced into the Republic. The Chinese were forced to purchase considerable amounts of Republican national loan bonds. But still the Chinese traders managed to make money due to their superior knowledge of the islands, their nationalistic cohesion and their aggressiveness. A large number of them became wealthy by running successfully and often the Dutch blockade to Singapore. 16/ During the hostilities between the Djakarta government and the rebellious forces on Sumatra, much of the blockade running was in the hands of Chinese who were able to gain financially in this dangerous trade.

An enumeration of the economic areas in which the Chinese dominate, together with a brief description of the activity, follows:

1. Rubber

In the outer provinces Chinese traders dominate the market; 17/ they also lead in copra transactions. 18/ On the main islands there are numerous Chinese as small holders in rubber sales. 19/

2. Rice

In the wholesale field of rice importation, the singkehs Chinese have a commanding position, backed as they are by Chinese affiliates in the rice exporting countries of Thailand and Vietnam. 20/ 21/

3. Investment Capital

They have more capital for investments at their command than any other group in Indonesia and since 1949 indigenous Indonesians have not been able to catch up. This capital is presently being used in investments in land, timber, sugar and other estate cultures. 22/

4. Foreign Commodities

At the beginning of the 19th century, the Chinese had a commanding lead in the importation of foreign commodities, which they have maintained until the present. This is particularly true in all articles imported from other Asiatic countries. 23/ 24/

5. Industry

Industry is in Chinese hands, with the Cantonese group predominating. In Indonesia the carpenters, metal workers, and petroleum skilled workers, are Chinese; skilled artisans predominate in the production of textiles and rubber goods. 25/

6. Dry Season Crops

Trade in these crops is controlled by the Chinese whose mills process the rice from those fields. 26/

7. Transportation

Practically all of the jitneys which carry a large proportion of inter-local produce and travel and almost all of the bicycle rickshaws which provide the bulk of passenger transport within the towns are owned by Chinese. 27/

8. Factories

The larger small-scale factories in towns and outside producing cloth, rice, lumber, soda-pop, bread and charcoal are in the hands of Chinese. 28/

9. Movies, Theaters and Carnivals

Owned by Chinese and operated for the Indonesians. 29/

10. Mining

While mines cannot be owned by foreigners, the Chinese predominate in the management of Indonesian mines; they pioneered in the development of gold mines in west Borneo. 30/ 31/

11. Agricultural projects

Since the Chinese cannot own farm lands, they have taken over the management and ownership of many agricultural projects. 32/ In their control of indigenous cultivators, they manage credits in such a way that these farmers remain permanently in debt to their Chinese creditors. 33/

12. Warehouses

Most of these are in Chinese hands. They are used for two purposes: to purchase and store merchandise

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and farm products when the price is low and then released for sale when these commodities are scarce in the pasars (market places); and second, as credit unions for advancing money to the bakuls (traders). Without these warehouses most large-scale wholesaling would collapse since the bakuls lack sufficient capital to stockpile goods. Thus the Chinese are able to control the whole-sale market in the Republic. 34/

13. Trucking

Practically all of this trade is in Chinese hands. 35/

14. Kapok

While kapok factories were originally started by the natives, within a few years they were ousted by the Chinese who now dominate. 36/

15. Credit

Credit for petty traders is almost completely in Chinese hands. By means of this credit the Chinese are able to control practically all market and small shop business in the archipelago. Goods flow into the markets from various sources but very few of them have not at one point or another passed through Chinese hands. This credit is not in terms of cash, as the Chinese are unwilling to risk cash now that the Dutch are no longer present to enforce contracts. On the other hand, the Indonesian trader keeps a running debt balance with the Chinese, a balance carefully managed on both sides not to grow so large as to encourage flight on the part of the Indonesian and not to shrink so small as to leave the Indonesian without any control over the Chinese. 37/

16. Groceries

Retail grocery shops in the rural areas are almost exclusively in the hands of the Chinese. 38/

17. Press, Journalism

The Chinese play an important part as journalists, and maintain an extensive control of the native press, both editorially and financially. 39/

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18. Miscellaneous Economic Activities

While not dominating in these areas, many Chinese are employees of business firms, clerks, farmers (important only in west Borneo, east coast of Sumatra, Bangka and Billiton), market gardening, fishing, collectors of taxes, salesmen, contractors and professionals (accountants, dentists, doctors, lawyers and teachers). 40/ 41/ 42/

Indicative of the economic hold the Chinese have in Indonesia is the following survey of a typical town of some 450 retail and service stores and shops of all sizes. Only 16 per cent of these stores and shops are owned and operated by natives; the remainder are divided, 33 per cent belonging to the singkehs and 48 per cent to the peranakan Chinese. 43/ The Chinese, accordingly, form the heart of the town's economic circulatory system, pressing goods, many of them imported, down through its arteries, pulling back goods, the greater part of them agricultural, through its veins and passing them on to the large suburban centers for further distribution. The business districts are lined with small, open-front, wooden stores, over 80 per cent belonging to Chinese. Inside the stores are found hardware, home furnishings, various types of food, jewelry, false teeth, automobile and bicycle parts, building materials, textiles, and drugs, from sulfa compounds to such promising medicines as crocodile tongues and cat's beard. Much of the cloth is bought in Surabaya by the natives directly from Chinese stores there. Chinese from the cities and larger towns often come to the typical town to trade with the indigenous market people. 44/

Up to the present time, the indigenous population has been unable to break the strangle hold of Chinese control over the economic life of the Indonesian Republic.

B. Cultural

That there is a race problem in Indonesia few will deny, since informed Indonesians generally speak of the Chinese as constituting one of the most difficult and frustrating of contemporary questions. 45/ Indonesians regard the Chinese as perhaps their major "problem." 46/ Most Chinese meet Indonesians through work or business; seldom do they mingle socially. 47/ Remaining aloof, refusing to be assimilated, proud of being Chinese, and determined to preserve their culture by means of their

own schools, press and business guilds, the Chinese in Indonesia are a complete society to themselves, interested chiefly in advancing themselves in the economic life of the Republic. Consequently, their impact socially on Indonesian social patterns and culture has been insignificant.

In prewar (WW2) days, almost all interethnic contacts found the Chinese in a higher socioeconomic status than the Indonesians. The attainment of political power by an indigenous elite has changed this situation and in an important range of contacts the Chinese now are subordinate. Indonesians presently can, through discriminatory practices, give satisfying expression to their long smouldering resentment. Consequently, Indonesia is faced with an acute and explosive problem of "race relations" and ethnocentric attitudes blind most responsible leaders on both sides to some of the more promising possibilities for solution. 48/

In addition to the natural tendencies of Chinese overseas to remain apart socially and culturally from the indigenous population, there are further explanations of why this is especially true in Indonesia. Some of the more important reasons are examined below.

One of the main stumbling blocks to complete assimilation of the Chinese into Indonesian society is the land policy laid down by the former Dutch rulers and taken over by the Republican authorities. This policy forbids non-Indonesians from owning farm lands. This rule has given protection to the natives but it has emphasized the plural aspect of society, and to the sensitive Chinese this is interpreted personally as placing them in an inferior position socially. This policy has cut both ways. The Chinese were, on the one hand, prevented from obtaining a monopoly of the land and dispossessing the natives, as they inevitably could have done when one considers their business acumen and aggressiveness. On the other hand, any tendency toward the assimilation of the Chinese into the Indonesian community and making it a single homogeneous society was arrested. 49/ Up to the present no solution of this question has been evolved.

Another stumbling block is the disproportionate wealth of the Chinese community, which produces envy and suspicion on the part of the Indonesians. In 1937 the Chinese, less than two per cent of the country's population, included 29 per cent of all those who lived in the islands with incomes of 900 guilders and over. 50/ While no statistics are available at the present writing, it appears that this disproportion has increased rather than lessened, thus increasing the apprehension of Indonesian officials.



Intermarriage between Chinese and Indonesians has contributed little toward assimilation, while adjustments to environment continue to modify Chinese cultural practices only slightly. 51/ In many of these intermarriages the Chinese have continued to preserve their surnames and thus a tie with their ancestors. Some of these families have forgotten their native language but now speak a polyglot of their own making and still retain much of the culture and customs of their motherland.

The discrimination practiced by the Indonesians against the Chinese and the social tensions prevalent are not calculated to pave the way for assimilation. There are probably large numbers of Chinese living in the cities who are in a state of poverty, but these attract little attention. If the Chinese tend to hold together as a group, under conditions making for economic competition on a group basis, they are in great danger of becoming, eventually, a pariah group. The Chinese are well aware of this. But even if they should be more successful than the Indo-Europeans in assimilating themselves with the Indonesians, in the long run they will be unable to maintain their privileged position, 52/ and at the present time they are unwilling to place this position in jeopardy.

In the education of their children, the Chinese have always been discriminated against. Previous to 1900 the authorities laid down rules encouraging the establishment of schools for the native population, with the primary purpose of training native officials. This system continued until the end of the century when, under the influence of the ethical movement in Holland, a policy was laid down for nation-wide education not merely in the interests of the government. Nothing, however, had been done for the education of Chinese children since the educational article in the Regulations of 1854 was interpreted not to apply to children of peoples assimilated with the natives. No subsidies were given to Chinese schools and Chinese children were permitted to enter the lower native schools only if there was room for them and if they knew sufficient Dutch to follow the instruction, and upon payment of higher school fees. Education in these schools led normally to employment in the government service, but from even the lowest ranks the Chinese were excluded.

About 1900 the Chinese of Indonesia began to assert themselves to improve their position. Education and the press were the chief means employed. School societies were organized and schools opened. English was chosen

because English-speaking Chinese instructors could be cheaply obtained from Singapore and, in addition, English had the advantage of being the commercial language of the East. The Chinese press in Indonesia, meanwhile, strengthened the unity of the national consciousness of the community and pressed the Chinese grievances with the government.

The Dutch government now began to make education easier for the Chinese to procure. Chinese were admitted to native schools on the same basis as natives, and the erection of government schools for Chinese, the so-called Dutch-Chinese schools, was begun in 1908, and in 1909 private Chinese schools were granted government subsidies. It was soon evident that these private schools had the support of the Chinese community and every year more schools were established. Many Chinese urged that the Dutch-Chinese schools be transformed into national schools open to every Chinese child. This demand could not be granted since the number of teachers required was not available. If these schools had been transformed into national schools, or if there had been some planning toward that end, a real beginning in assimilation would have been made with the younger generation of the Chinese population.

The establishment of the Dutch-Chinese schools was in the nature of preferential treatment for the Chinese, and the Indonesians were not slow to recognize it. While these schools were subject to Dutch official inspection and control, the curriculum had a purely Chinese nationalist character. 53/ Thus was born the swing-away from ultimate assimilation with the indigenous population. The establishment of these modern Chinese schools by the Chinese themselves contributed immensely to the rise of Chinese nationalism. This nationalistic rise was so intense that it alarmed the Dutch and in 1908 they did a complete about-face in their policy, whereby the doors of Dutch culture were opened to the entire middle class of Chinese. In turn, this caused the Indonesians to think of the Chinese community as being pro-Dutch and set off a series of retaliations and subjective prejudices that exist to the present time.

In the post-world war II period, the system of Chinese schools was greatly expanded and the resinification of peranakan society was by 1955 a major phenomenon in Java. As for singkeh society, its leaders were largely responsible for the development and rapid expansion of Chinese schools in Indonesia and for their politicization in the interests of China. In recent months Indonesian authorities

have made it clear that Indonesian citizens of whatever extraction will eventually be barred from attending other than Indonesian schools. 54/

The Chinese, who have long memories, have never forgotten what happened to a group of their nationals who were completely assimilated with the native inhabitants at Tangerang. In this rural community Chinese agriculturalists became indistinguishable from the indigenous population even to their physical appearances. They spoke only Javanese-Malay and led a life almost identical with that of the Javanese farmers near them, retaining only their Chinese surnames. 55/ It was here that a massacre of these Sino-Indonesian farmers took place during the birthpangs of the Republic. The New York Times of 6 June 1946 reported that 600 Chinese, suspected by the Indonesians of cooperation with the Dutch, had been slain and their villages set on fire. The massacre did not end until 8 June. Further outbreaks against the Chinese in September occurred at Bagan Api Api when 200 were said to have been killed, with 20 more at Bangko, 34 at Telok Poelau and 75 at Djembra. In January 1947, 250 more were killed in Palembang in Sumatra. When the Chinese decided to place themselves under Dutch protection as a result of these outbreaks, the Indonesians felt they were confirmed in their suspicion that the Chinese had cooperated with the Dutch imperialists in the affected areas. 56/ On the other hand, these series of killings tended to corroborate the Chinese suspicion that they were not wanted as equals by the indigenous population.

The Chinese community continues to remain apart and unassimilated. Among Indonesian politicians there are two schools of thought concerning the Chinese problem. One school regards the Chinese as a minority problem; the other school prefers to think of the Chinese born in Indonesia as part of the Indonesian people. Notwithstanding the desirability of the latter policy as an objective, the psychological tendency among the Indonesians generally and the Chinese community as a whole favors the first view. 57/

C. Political

There are two political issues concerning the Chinese minority which fundamentally affect their relationship with the Indonesian people. These issues are their dual nationality and their inability to own land.

1. Dual Nationality

Chinese governments have traditionally regarded the decedents of emigrants as Chinese citizens. This position, taken toward the end of the Ch'ing Dynasty, has been maintained by all subsequent Chinese governments, although in very recent years both Taipei and Peiping have shown a willingness to retreat from this rigid position. How to implement this willingness has not yet been worked out in detailed legislation by the Indonesian Government in spite of the signing of an Indonesian-Chinese Dual Nationality Treaty with Communist China in 1955.

Under the Dutch administration of the East Indies, it was ruled that a Chinese born on Dutch territory was a Dutch subject as long as he resided there. The instrument transferring sovereignty over Indonesia from the Netherlands to the Republic of Indonesia in 1949 contained a clause providing that Chinese who were Dutch subjects automatically became Indonesian citizens unless they specifically rejected Indonesian citizenship before December 31, 1951. This system, known as the "passive system" in Indonesia, covered all persons 21 years or above, married, and who had lived in Indonesia for five years. During World War II and the years immediately following there was little Chinese immigration into Indonesia and this provision conferred Indonesian citizenship upon virtually all Chinese in Indonesia unless they wished to reject it. It did not, however, jeopardize their claim to Chinese citizenship.

In 1951 the Indonesian Government issued a Registration Regulation requiring all persons of non-indigenous descent to register if they wished to retain Indonesian citizenship. This was objected to by the Arab and Chinese minorities on the grounds that they already considered themselves Indonesian citizens and that the requirement to register was discriminatory. This requirement, which became known as the "active system" was, however, maintained by the government. In accordance with the regulation, it is estimated that about one-third of the Chinese population in Indonesia registered. The "active system" cancelled the formerly applicable "passive system" and as a result two-thirds of the Chinese in Indonesia, through failure to register, lost their claims to Indonesian citizenship.

Sunario, who later became Foreign Minister, made an important statement on 31 December 1951. Stating that he did not agree with the concept of dual citizenship, he added that "a difference between original and non-original citizens had to be made. This difference is related to the different economic conditions; the original citizens, owing to their economic weaknesses, are considered to need help, and as regards the others who are not original citizens, it is necessary to check their influence on the economy." This statement shows that there was no intention to accord Indonesians of Chinese ancestry, even those who confirmed their desire to keep Indonesian citizenship under the "active system," equal business opportunities. In 1953 when Sunario was Foreign Minister, the Ali Sastroamidjojo Cabinet issued a regulation which reserved most of the import licenses to Indonesian citizens and in the administration of this regulation Indonesian citizens of Chinese ancestry were treated as non-citizen Chinese.

Late in 1953 Communist China allotted four seats to Overseas Chinese from Indonesia in the All China People's Congress, thus dramatizing the dual citizenship question. In September 1954 the Indonesia press carried reports that during CHOU En-lai's visit to New Delhi in July, CHOU told Nehru that his government would henceforth regard Overseas Chinese as foreigners and that Peiping was willing to conclude agreements with other governments based on the single nationality concept. During November of 1954 negotiations on the matter were held in Peiping but became stranded on the question of the legal position of Overseas Chinese who passively declined to reject either Chinese Communist or Indonesian citizenship. The Indonesian Government wanted such persons to be considered Chinese citizens and the Chinese Communists insisted that they be accorded the rights of Indonesian citizens. In the meantime, the Indonesian Government decided to present a draft citizenship bill to Parliament which provided that all Indonesian citizens residing in Indonesia should renounce any other citizenship they possessed within one year of the bill's coming into force.

By early spring 1955, both the Indonesian and Chinese Communist governments apparently were eager to reach agreement quickly on a dual citizenship treaty to enable the signing ceremony to take place during CHOU's presence in Indonesia for the Asian-African Conference. While the content of the negotiations was a closely guarded secret, two problems were assumed to have been discussed. One was again the 1951 Registration Regulation concerning what should be done to persons who failed to reject either Chinese or Indonesian citizenship after the treaty became law, either through ignorance of the law or through willful decision not to make a rejection on the grounds that they were already good Indonesian citizens under the "passive system." The other problem was the insistence by the Chinese Communists of a clause guaranteeing non-discrimination against Indonesian citizens of Chinese ancestry, which was rejected by the Indonesians. In March, before the negotiations were moved to Djakarta, the Indonesian Government announced that in February a "second phase" registration of foreigners had begun. These regulations stipulated that aliens had to register with the local Immigration Office, bringing with them at least 10 separate documents including such items as a letter from the tax office certifying full payment of taxes, police questionnaire, and a biography for every alien 16 years and above.

On 3 June 1955, a note exchange took place between Prime Minister Ali Sastroamidjojo and CHOU En-lai which clarified some of the more ambiguous points in the Dual Nationality Agreement, which was signed in Bandung on 22 April 1955 by CHOU on behalf of Communist China and Sunario, on behalf of the Republic of Indonesia. The five items in the exchange of notes are as follows:

a. The dual nationality problem was inherited from the past.

b. There was a category of persons of Chinese ancestry in Indonesia whose social and political status testifies that they already had implicitly renounced Chinese nationality: such persons did not have to make a choice of nationality and it was to be left up to the Indonesian Government to determine who were to be included in this category.

c. The 20-year period of the treaty (subject to renewal) did not mean that persons who had chosen their nationality would have to do so again at the end of 20 years.

d. There will be established in Djakarta a joint committee of Indonesians and Chinese Communist representatives who will discuss methods of implementing the Agreement.

e. The present status of dual nationals should remain unchanged during the two-year period for the choosing of nationality.

However, there still was no agreed definition between the Indonesians and Chinese Governments on what a dual citizen was. The implementation of the agreement, therefore, would depend on the cooperation of the Indonesian and Chinese Communist Governments. Another danger to Indonesia was the provision for establishing offices to register the citizenship choices of Overseas Chinese. This provision would give the Chinese Communists greater convenience for their subversive activities in Indonesia. However, the greatest danger arising from this agreement was the fact that, signed at the Asian-African Conference, it presented to the public evidence of a rapprochement between Indonesia and Communist China.

The impact of this agreement upon the people living in Indonesia was varied. On 1 May the PNI Executive Council announced its full concurrence with the agreement. On 2 May it was announced that the Cabinet had approved its submission to Parliament. The anti-Communist newspaper Indonesia Raya declared its opposition, stating the agreement was more of a Communist propaganda victory than an instrument to solve a difficult minority problem. The PSI issued a statement condemning the agreement as unconstitutional, but after the note exchange agreed that the notes opened the possibility of correcting mistakes in the agreement. Wibisone, a leader of the Masjumi, declared his party would vote against ratification.

In the Chinese community, reaction was generally unfavorable. The pro-Nationalist Chinese and anti-Communist Chinese objected to the implication that

the choice of nationality was confined to either that of Indonesia or Communist China and thus making them stateless. SIAUW Giok Tjhan, a pro-Communist and chairman of BAPERKI (a left-wing political party composed mainly of Overseas Chinese) objected to the requirement of having to make a rejection of nationality. After the exchange of notes SIAUW changed his position, but apparently without enthusiasm and further stated that BAPERKI would fight for the right of Indonesian citizens of Chinese origin not to have to make the rejection.

Representatives of the group of Chinese who were neither pro-Nationalist nor pro-Communist generally disapproved of the Agreement. After the exchange of notes, their opposition also subsided and their interest tended to rest only on the question of how the Indonesian Government would determine the category of persons who would be exempt from the requirement of rejecting one citizenship or the other. On 27 June the pro-Communist newspaper Sin Po published a report that the following groups of persons would be exempt from making rejections: cabinet ministers, members of Parliament, military officers, police, election candidates and those who vote. 58/

On 17 December 1957, the Indonesian Parliament ratified the Dual Nationality Treaty, with the Masjumi Party abstaining. Ten days later the treaty was approved by the Chinese Communist State Council. On 30 December it was ratified by the Standing Committee of the Chinese Communist National People's Congress. Up to the present, neither government has reached agreement for implementation of the terms of the treaty.

In the November-December-January 1957-1958 issue of Report on Indonesia, Vol. 10, No. 7, page 9, the following is noted:

Djakarta. Following the rejection of the motion submitted by MP Anwar Harjono (Masjumi Party) by 100 votes against 39, the Indonesian Parliament unanimously adopted the Dual Citizenship Bill. In his motion Anwar Harjono asked for postponement of the decision regarding the bill until Parliament discusses another draft bill on basic Indonesian citizenship. He stated that the discussion of



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the dual citizenship bill prior to the citizenship law would inevitably influence the future discussion of the later.

MP Siauw Giok Tjhan (National Progressive) who opposed the motion said that in order to end racial prejudices which occasionally gave rise to undesirable sentiments, settlement of the dual citizenship bill was not urgent.

There are two Overseas Chinese organizations in Indonesia that are of importance politically. They are the BAPERKI Party (Committee Concerned With Ending Racial Discrimination) and the Chung Hua Ch'iao T'uan Tsung Hui (Djakarta General Association of Overseas Chinese Organizations) commonly referred to as the CHCTTH.

The BAPERKI Party is made up almost exclusively of Chinese. It functions as a party in elections and its representatives serve in Parliament, the Constituent Assembly and in municipal councils. In Indonesian politics it is aligned with the National Progressive Faction, gives all-out support to President Sukarno, and generally finds itself on the side of the Indonesian Communist Party in political debates. 59/ In 1955 it polled approximately 160,000 votes in the Parliamentary elections. During the fall of 1957 the Party endeavored to obtain at least one seat in as many Java municipal and regional councils as possible to lobby against the head tax on aliens as well as against the closing and restrictions of Chinese schools in Indonesia. 60/

At the core of Communist-oriented Chinese communal organization in Indonesia is the CHCTTH. Technically a federation of Chinese organizations in the Djakarta area only, it acts as a central headquarters for similar federations and single organizations throughout Indonesia. Member groups, in mid-1953 reported to number 70, come from every phase of Chinese community life--schools, labor groups, social and benevolent institutions, sports clubs, dramatic clubs, the press, merchant groups and youth and student groups. 61/ The CHCTTH also acts as the community contact for the Chinese Communist Embassy

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in Indonesia. 62/ The Partai Komunis Indonesia (PKI), recovering in the year following its almost complete annihilation in Madiun (September 1948), found an unexpected ally in many of the Chinese Communist members of the Chung Hua Tsung Hui, from which the CHCTTH was ultimately formed in protest against Kuomintang dominance of the parent organization in 1952. The Chinese Communist Embassy in 1950 used these pro-Communist members of the Tsung Hui, and after 1952 the CHCTTH, as a front in extending aid to the PKI. 63/ The general tone of the constitution of the CHCTTH is set up along the traditional lines of a Communist organization, with an all-powerful presidium holding strict control over its members. It has a separate Youth Corps which as far back as 1952 reported a membership of 5,000. 64/ SU To Chan (SZU-T'U Tsan 0674/1778/6363) as of mid-April 1957 is listed as chairman of the organization. 65/ Probably the most important of the CHCTTH affiliates is the Min Sheng She (3046/3932/4357), which has been described as the Chinese Communist Party in Indonesia in disguise, and possibly the most politically active group among the Communist-oriented Chinese. Its reported objectives include: elimination of any remnant of Dutch imperialistic influence in Indonesia; destruction of the Kuomintang and all pro-Nationalist elements; organization of Communist cells; distribution of Communist literature; support of the principles of MAO Tse-tung; support of the Soviet Union and Chinese People's Republic and aid to them through espionage activities and in the procurement of essential materials; and undermining all pro-Western influence in Indonesia. In mid-1953 the organization claimed 5,000 individual members. In 1952 OEY Tjiu Kwie (HUANG Chou-kuei 7806/0719/6016) was reported as Chairman. 66/

While Kuomintang branches function in all the larger Indonesian cities, they are weak and operate at a disadvantage in a nation which does not recognize the Chinese Nationalist Government. Political initiative in the Chinese community has clearly passed to the Peiping regime especially since the Korean War. 67/

## 2. Land Ownership

The inability of aliens to possess land legally in Indonesia colors the thinking of the Overseas

Chinese community. This prohibition, which was instituted by the Dutch authorities and applied to their own nationals as well as to all foreigners, was designed to protect the indigenous population from exploitation. It has been carried over as a law by the Republic. 68/ The Chinese argue that if they cannot own land as the natives can, then they are second-class citizens and in time this discrimination would lead to their economic collapse.

On the other hand if they are to be citizens of Indonesia in the true sense they must be able to own land. Like the other minorities in Indonesia, they are awaiting assurances from the government that they would receive equal treatment with other Indonesian citizens before making up their minds concerning the dual citizenship question. Consequently, the chief question in their thinking is whether or not Indonesian citizenship would automatically eliminate the Dutch-imposed ban on their acquisition of landed property. 69/ To this major political problem the Republican government has not yet provided an answer. The matter has reached an impasse: the Chinese wondering what the local nationalists will offer them in return for shifting their allegiance, and the nationalists on their part wanting evidence of loyalty before allotting the Chinese an important stake in their country. 70/

The Overseas Chinese are now at the crossroads politically. Should they continue as aliens or should they endeavor to become citizens? It has been suggested that a firm political statement by both Taipei and Peiping that they regarded their countrymen who voluntarily would choose Indonesian citizenship as foreigners, would help to clear the atmosphere. Such a declaration would be extremely difficult to make as it could be interpreted as an abandonment of their own nationals, and thus a loss of national prestige. An effort is needed to settle these perplexing political questions fairly and amicably without loss to either the Chinese or the Indonesians and thus permit aliens in Indonesia to become bona fide citizens without reservations or discriminations. Up to the present, there is little evidence that this is being done.

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III. Principal Complaints of Indonesians and Chinese

Both the Indonesian indigenous population and the Overseas Chinese domiciled in Indonesia have complained that there are serious grievances against the opposite camp. The principal complaints of both sides are listed below. These complaints, compiled by authorities on Indonesia and often difficult to document, are nevertheless presented as the complaints voiced by the average Indonesian and Chinese when questioned to explain the lack of harmony between them in their economic, cultural and political relationships.

A. Indonesians vs. Chinese

1. All Chinese are "bad", both pro-Nationalists and pro-Communists.
2. "Once a Chinese always a Chinese" is reportedly the slogan of nationalistic Overseas Chinese living in the archipelago.
3. A "superiority complex" is common among the young Chinese Nationalists.
4. The Chinese hold the controlling position in the economy of the Republic, 95 per cent of the industry and internal trade and a near monopoly of both wholesale and retail trade.
5. The Chinese are disproportionately wealthy; much of this wealth was unlawfully gained by black marketing, usury, unethical monopolies and "unconscionable" loan operations.
6. The Chinese are too shrewd and acquisitive.
7. As blockade runners of barter trade, the Chinese have contributed to the economic instability of the Republic.
8. During 1958 wealthy Chinese are illegally converting millions of dollars worth of rupiahs into Malayan currency and transferring their funds to Singapore.
9. The Chinese have always sided with the Dutch against the indigenous population and during the Dutch "police action" many even enlisted in their armed forces.

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10. Only a few of the Chinese have contributed materially to the Indonesian nationalist cause.
11. There are many misgivings regarding the loyalty of even those Chinese who have elected to become Indonesian citizens, due to the dual citizenship policy of both Taipei and Peiping.
12. The Chinese have a disregard and contempt for Indonesian laws, often finding loopholes for economic exploitation.
13. Natives are not permitted employment in Chinese organizations.
14. Chinese seldom mingle socially with Indonesians.
15. The Chinese are ostentatious in living conditions and in personal appearance.
16. The Chinese hold on to their own language and to their culture.
17. Most of the Chinese schools are run by the Chinese themselves and are not controlled by the government. These schools are reported to be stressing Communist indoctrination.
18. The majority of the Overseas Chinese in Indonesia, being oriented toward Peiping, pose a Communist threat to Indonesia.
19. More than in any other SEA country, Chinese youths in Indonesia have responded to Peiping's appeal to return to mainland China for education.
20. The Chinese are responsible for the introduction and sale of opium.

B. Chinese vs. Indonesians

1. Since 1948 the Indonesian local governments have attempted both to limit Chinese economic power and to encourage or compel Chinese social integration. Since 1953 the Republic has increased forcible assimilation measures and discriminatory legislation concerning Chinese.
2. The heavy yearly head tax, primarily aimed at the Chinese, amounts to rupiah 4,125 for a family of three.

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3. The Chinese pay most of the taxes with little representation in government.
4. Business licenses are higher for Chinese than for others.
5. The Chinese are forced to buy Republican National Loan bonds.
6. The Dutch-imposed ban against land ownership is still the law of the Republic.
7. Envy is exhibited by the Indonesians concerning the economic position of the Chinese.
8. Native looting of Chinese property took place during the landing phase of the Japanese occupation and Indonesians in coalition with the Japanese attempted to supplant the Chinese economically.
9. In the interval between the Dutch collapse and the Japanese occupation, the Indonesians subjected the Chinese to robbery, murder, rape, extensive destruction of property and forcible circumcision.
10. Chinese were massacred by Indonesians during the Dutch attempt to regain control of Indonesia after VJ day: reportedly 600 Chinese were killed and 100,000 were rendered homeless.
11. There was much loss of Chinese-owned large buildings during the scorched-earth policy of the Indonesian High Command, accompanied by extensive burning and looting by civilian mobs.
12. Chinese resent President Sukarno's speech of 17 November 1951:

There are foreigners utilizing the people's difficulties to get as much profit as possible...Government regulations have frequently been violated, outsmarted, avoided and sabotaged...As a result of their improper attitude, these foreigners have aroused a hostile attitude... have sown the seeds of race hatred, because the differences between rich and poor coincide accidentally with the differences in nationalities ...They forget the history of Tangerang and Kebuman.

13. The Chinese are apprehensive as to their status if they renounce Chinese citizenship and become citizens of Indonesia.
14. The Chinese resent the closing of many of their schools, the banning of all Chinese language publications and the arbitrary arrest of Chinese allegedly pro-Kuomintang.

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