

# Chinese *taukeh*, labourer, and state control

## Case study of *panglong* in eastern region of Sumatra (1890-1930)

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### ABSTRACT

Recently the flow of labour from China to Indonesia has fuelled many discussions but is not a new phenomenon. It can be traced back to the eighteenth century and continued until the twentieth century. In colonial Indonesia, the Chinese labour force was recruited to work in the economic sectors of mining, plantations, fisheries and forestry. Unfortunately, previous studies about Chinese society in Indonesia more focused on economic and political elites rather than the social history of the Chinese contract coolies. This article attempts to look at the labour history of the Chinese coolie in the forest exploitation companies, known as *panglong*. By focusing on the ways in which they were treated in the recruitment process and workplace, this article shows that changes for the better did take place in the appalling working conditions of the labourers. Until the second decade of the twentieth century, recruitment, food, and health care were rife with manipulations, exacerbated by arduous working conditions and insecurity in the workplace, abuse of power by mandors and forms of non-economic coercion like the use of opium. All these factors were meant to ensure that the Chinese contract labourers could not break loose from their indentures, a modern form of slavery. Hampered by budgetary restrictions, lack of personnel, and marine transport facilities, the state colonial officials were hamstrung. But in the second decade of twentieth century, when the abysmal working conditions of the Chinese coolies were debated on a higher level by politicians and bureaucrats state control was tightened. More effectual control by the state had a positive effect on improving of the working and living conditions.

### KEYWORDS

Chinese labourers; working conditions; state control; forest exploitation; Sumatra.

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INTRODUCTION<sup>1</sup>

The flow of a labour force from China to Indonesia to work on development projects funded by Chinese investors in the twenty-first century is phenomenon repetition of an old story. A massive influx of Chinese coolies can be traced back to the eighteenth century and it continued until the end of the Dutch colonial government. Chinese labourers wanting to find job were recruited to work in centres of the world capitalist economy in the Southeastern Asian region. Beginning from the southern part of Thailand, crossing the Malay Peninsula, jumping to the islands of Bangka-Belitung, and finally to the island of Singkep, the Chinese labour force played an important role in production in tin-mines (Loh Kok Wah 1988; De Vos 1993: 15; Heidhues 1992). The Chinese miners united in a work organization called a *kongsi*. In colonial Malaya, British-owned tin companies were no competition for the Chinese *kongsi* in recruiting a labour supply, especially from southern China (Thoburn 1981: 5-8). The Chinese labourers were also drawn the gold-mining areas in West Kalimantan and the tobacco plantations in East Sumatra (Heidhues 2003; Reid 1970). Political conflicts like the Opium War in 1842, the Taiping Rebellion in 1850, and repeated economic crises and crop failures throughout the nineteenth century, all compelled thousands of southern Chinese peasants to seek work abroad. The increasing waves of Chinese migration kept pace with the development of the world capitalist economy, especially in the outer islands after 1870, and reached its apogee at the beginning of twentieth century (Touwen 2001; Lindblad 2001: 132-152). As the capitalist economy expanded it needed a greater labour force and Chinese people were recruited to work on various plantations and for mining companies, both in the outer islands and in other region of Southeast Asia. Chinese workers also spread beyond Asia to the United States and the Caribbean (Wolf 1982). They enjoyed a reputation for diligence and for being experts in mining technology. They also had the know-how to make mining equipment. The historical sources reveal that Dutch mining engineers could learn from Chinese miners in some respects. Up to present time, they still use technical terms derived from the Chinese language in mining technology.<sup>2</sup>

The demand for a Chinese labour force is inextricably linked to the problems in recruiting a labour supply from the local people, especially in the outer islands. They were not interested in working under contract. The combination of low population density and the availability of of land in the outer islands offered local people plenty of economic alternatives to decide how to pursue their livelihood. With many options to choose from, they looked down on working under contract. Naturally, the arrival of Chinese labourers to work for mining companies and on plantations had an impact on the demographic composition of these areas, especially on Bangka and Belitung, the Riau-Lingga Archipelago, West Kalimantan, and East Sumatra.

<sup>1</sup> I would like to thank deeply reviewer for his critical comments.

<sup>2</sup> One of the Chinese mining technologies used is the *palong* technology. This is a standard technique for alluvial tin-mining on land. See Sutejo (2015: 363-364).

Unfortunately, studies of the social history of Chinese society in Indonesia from the perspective of the labour regime are still few and far between. In short this field is rather neglected. This article is an attempt to look into the conditions of the Chinese labour force in the type of forest exploitation company called a *panglong*.

Although so far, the historiography of labour in Indonesia generally and Chinese working class especially has been rather deficient, the history of the Chinese working class in the mining sector in Indonesia, especially in West Kalimantan, has been discussed in a number of studies. General studies about the geography of the *kongsis*, conflicts between the *kongsis* and the role of secret societies can be found in the works of by James C. Jackson (1970), Wang Tai Peng (1977), Mohammad Gade Ismail (1981), and Juan Bingling (2000). Taking the perspective of the labour regime, Mary Somers Heidhuis (1992, 2003), an expert in Chinese studies of Southeast Asia, focuses on the socio-political and economic history of the Chinese tin- and gold-miners in Bangka and West Kalimantan. She describes the deplorable working and living conditions of the Chinese labourers in the Bangka tin-mines. Anthony Reid (1970) has paid attention to the labour of Chinese immigrants in eastern Sumatra.

More studies have been done on labour history in general, especially since the 1980s. Studies on labour history, especially in the outer islands, have been written by Jan Breman (1988), Ann Laura Stoler (1985), John Ingelson (1986), Vincent Houben (1994), Erwiza Erman (1995, 1999, 2002, 2010), and Erwiza Erman and Ratna Saptari (2005). Breman and Stoler focus on labour history on eastern Sumatran plantations. Ingelson has studied the Javanese labourers in Java and Houben paid attention to labour recruitment from Java to the outer islands. Breman demonstrates that the fate of the labourers was defined by the social relationship between managers and state actors. The most interesting findings in Breman's study are that the colonial state apparatus responded differently in its efforts to tackle the bad working conditions on the plantations in East Sumatra. Although the issue of working conditions was hotly debated among different state actors in the colony, it was finally silenced by the Ministry of Colonies. Stoler finds that, in the long run, labour conditions were unfree.

The history of labourers is no longer confined just to the history the parameters of production, but it should be linked up to socio-political developments in a wider context. Labour politics, whether in the form of accommodation or open protest, is inseparable from individual considerations, including status, family, ethnicity and culture. Furthermore, labour politics was also determined by working conditions and socio-political and economic development on a broader level as shown by Stoler. Studies of labourers in the mining sector by Erman (1995, 2005) have proved that the issue of whether work and living conditions of labourers were downright appalling or fairly reasonable did not depend solely on state control and the social policies of the manager and the state, but were also reliant on the background of the labour force and on work organizations. The working and living conditions of the

Chinese tin-miners on Belitung were far better than those of their counterparts on Bangka (Erman 1995). Firstly, the system of *numpang* allowed them to be shareholders. Secondly, they were homogeneous in terms of origin, all of them were natives of the Kayin region. Having the same origin had a positive impact on feelings of security and on strengthening feelings of solidarity. In the case of the Ombilin coal-mines as studied by Erman (2005), the miners laboured in an insecure and unsafe workplace; much of the insecurity attributable to the culture of violence embedded in and internalized among the forced labourers, most of them political prisoners and criminals. Unsurprisingly, the number of labourers who escaped from the mines was very high than it was in other places. Studies basically place workers as agents or subjects of history who can play an important role in the making of history. They are no longer regarded as Eric R. Wolf (1982) says as “people without history”, but they are people with their own history.

The studies mentioned above have enriched our knowledge of how we should understand work relations and conditions in various sectors of the economy. Unquestionably the business schemes of the *taukehs*, state control, and the economic development of a particular commodity were important factors in determining the standard of working conditions. However, other factors such as non-economic coercion, the role of the mandors, the cultural background of labourers and the situation in the workplace could also affect labour conditions. To argue this point, this article will look at the working and living conditions of the Chinese coolies who worked in the type of forest exploitation company known as a *panglong*. Possibly, we can find similarities and differences in the case under study.

What was the history of the *panglong* in the eastern region of Sumatra? How were the Chinese labourers recruited and organized within the framework of this sort of company? What were the work and living conditions of the labourers really like? In how far did the colonial state control these businesses and the working conditions of the Chinese labourers? In theory, the state actors should have been a neutral party, standing between the interests of the *taukehs* and labourers. To what extent was the neutral position of the colonial state actually discernible in the forest exploitation of *panglongs* is a question which will be answered in this article. It is hoped that this study will fill the gap in the history of labour relations in Chinese businesses in Indonesia.

As it takes a historical approach, this study has used as its primary sources of information archive documents such as Governors-General Decrees (*Den Besluiten van den Gouverneur Generaal van Nederlandsch-Indië*, BGG), Memoranda written on transfer by a civil servant for his successor (*Memorie van Overgave*), newspapers, and articles. Using primary sources is not without problems, because the private motivations of the reporters always has to be borne in mind. Documents like the *Memorie van Overgave* (MvO) written by the colonial apparatus in Bengkalis should be treated with caution, because they have deleted certain pages of the reports, mainly those about the health of the Chinese labourers. The excising of certain pages from the reports is proof

that the Dutch colonial apparatus felt insecure about informing its readers or bosses about the poor standard of health care of the Chinese labourers and their lack of access to public services. Any intimation of a less than satisfactory situation could have undermined its reputation. One of the ways to fill the lack of information in MvO is to complement them with data taken from the reports of the labour inspectors who investigated the working and living conditions of the labourers on the ground.

## 2. PANGLONG: CHINESE *TAUKEH*, CHINESE LABOURERS, AND WORK ORGANIZATION

*Panglong* is a Chinese word: *pang* is board and *long* means warehouse. Therefore, a *panglong* is a place used for the storage of either the trees which have been felled to be sawn into planks or for the sawn planks. In the nineteenth century, sawmills were quite large, especially those located in a very richly forested area in Bengkalis. The trees most often felled were *meranti*, *puna*, and *kelat*, considered the best quality for making planks. At the beginning of the twentieth century, these *panglongs* had become rare because their owners, the *taukeh*s, had moved their sawmills to Singapore. This transfer had been prompted because the *taukeh*s want to manage their own businesses which were expanding rapidly to meet the high demand of consumers in Singapore, the Malay Peninsula, and Hong Kong. Sawn planks were required for building *wangkang* (a sort of coastal vessel), *tongkang* (river craft), houses, furniture, bridges and for other purposes to meet the needs of residents and support the physical development of the city of Singapore, cities in the Malay Peninsula, and even Hong Kong. The *taukeh*s thought it most efficient to have the logs transported to Singapore by *wangkangs* to be sawn there. Although the original kind of *panglong* had tended to disappear, its designation was transferred to forest exploitation companies which felled trees for timber, firewood, and charcoal (Pastor 1927: 3; Endert 1932: 270-285). Most of the trees which had already been felled for timber were in Riau Residency, for instance, in Siak. The bulk of the wood cut for charcoal had been from the mangrove forests located along the low-lying coast in Bengkalis and the Riau-Lingga Archipelago. The mangrove timber was eminently suitable for making charcoal (Boon 1936: 344-373). The *panglongs* which made charcoal lasted for generations and some have even remained in business up to present (Genta Surianto 2016).

The *panglong* region covers an area of the islands located in the eastern region of Sumatra and some of the adjacent coastline (see Map 1). The most important regions were Rupert Island, Bengkalis, Padang, Merbau, Tebing Tinggi, Serapang, Mendol, and Rangsang. In the second decade of the twenty century, the *panglong* region extended to the north, taking in Aceh and Jambi (*De Sumatra Post* 10-3-1938). After the forest areas close to Singapore had been denuded, the *taukeh*s looked for new areas farther away from Singapore or in more remote areas of the eastern region of Sumatra, including Jambi, Palembang, East Aceh.



Map 1. Map of *panglongs* in eastern region of Sumatra (map by the author).

Singapore is the most important international trading port in Southeast Asia. It had grown in size and importance after Thomas Stamford Raffles founded the modern city in the early nineteenth century. Proximity to Singapore was the most important factor in the emergence of forest exploitation *panglongs* in the eastern region of Sumatra. Singapore itself is very small and never had a forested area sufficient to fulfil consumers' demands for wood. Unfortunately, it is impossible to say when *panglongs* were first established. Reports by VOC (Dutch East India Company) officials mentioned that wood was one of the items of trade exported from the eastern region of Sumatra to Malacca, Penang, and Singapore. A study by Timothy Barnard (1998: 88) has shown that timber from the sultanate of Siak had been recorded since the seventeenth century, but it was only in the nineteenth century that it began to be referred to as *panglong*. The sultan of Siak and the sultan of Riau-Lingga issued licences to the Singaporean Chinese *taukehs*. According to the calculations made by A.F.P. Graafland, a colonial officer who served in the Karimun Islands, the first *panglongs* were found in areas in the near vicinity, for instance, on the islands of Bintan, Batam, and Karimun around the 1860s and 1870s (Graafland 1888: 395). The Dutch colonial government signed a contracts with the sultan of Siak on 16 July 1873 (BGG 1873 no. 22) and again on 4 February 1879, which was reconfirmed on 18 October 1881, 9 April 1895, and then on 18 June 1895.

The entire content of the contract was reiterated, most importantly the provision specifying the right of taxation ceded by the sultan of Siak to the Dutch colonial government for the island of Bengkalis. Its territory extended

to between one to ten kilometres of coastline, ranging from Panei up to Palalawan. Besides Palalawan, the *panglong* region also included Penyalijan, Lebu, Serampong, Sungai Kaluwang, Tugauw, Sungai Kaladi, and Tonggaw. It also extended to Tanjung Ongka in Indragiri and the forest area around the Kampar River, extending 50 kilometres inland from the coastline. The *panglong* area in the territory of the sultan of Riau-Lingga was located to the south, namely: the islands of Lingga and Singkep. According to reports of the Labour Inspector for the year 1925/1926, there were fifty kinds trees felled by the *panglongs* in the mangrove forests for processing into charcoal which was exported to Singapore. At that time there were only three *panglongs* felling logs operating in the islands of Lingga. The felled areas which had been cleared were planted with *gambier*, apart from the area cultivated by the Malay and Buginese peasants, offered a promising business opportunity to Chinese *taukeh*s from Singapore. From the data released by the Forest Service of the colonial government, it is known that there were 2,000,000 hectare of *panglongs* in Bengkalis and Riau in 1930. These *panglongs* produced 400,000 cubic metres of timber, and a large amount of firewood and charcoal.

Many kinds of trees were felled by these *panglongs*. As said the trees from the mangroves were the best for charcoal. Therefore, the charcoal *panglongs* were concentrated in the region of the mangrove forests along the coast. Barnard's study shows that in the region of the Siak sultanate alone nineteen kinds of trees were exported to Penang and Singapore to build ships, which would be seaworthy for up to forty-five years (Barnard 1998: 88). There were 160 kinds of trees in all, and forty species were felled by the *panglong* companies. Consequently, the longer the *panglongs* operated, the more kinds of trees which disappeared from the rich forests. This data is proof that the deforestation began a long time ago.

As explained earlier, the owner of a *panglong* was a *taukeh*, who usually resided in Singapore. The Panglong Regulation (in Dutch, the Panglong Reglement) states that the *taukeh* had to have a licence from the local authorities, the sultans Siak or Riau-Lingga, to fell trees within an area which should not be more than 500 hectares. Licence rights could not be valid for less than one year and, if it was extended, for no more than five years. A licence stipulated that a *taukeh* had to look for suitable forest areas to be felled, but only after previously consulting the local people, particularly the Orang Utan, the Orang Laut, and the Orang Akik who had an unrivalled knowledge of the forest areas and good trees (Barnard 1998: 89). They would be paid for their services in Singaporean dollars. In fact, the *taukeh* rarely bothered about this licence. The *taukeh* would delegate authority to persons whom he trusted to manage his *panglong*, while he remained in Singapore to run his business. At certain times, the *taukeh* would send funds, Chinese labourers and their daily basic needs to the *panglong* area on board one of his own *wangkangs* and *tongkangs*.

Table 1 shows the development of various kinds of *panglong* in Bengkalis from 1893 up to 1927. From 1893-1898, the number of *panglong* for the sawmills had grown from 35 in 1893 to 52 in 1898, but then dropped dramatically to

fourteen in 1903. By 1924, the sawmill *panglong* had disappeared from the region of Bengkalis, because, as said above, the *taukehs* had shifted their companies to Singapore, where sawmills were needed to produce the planks need for making furniture, building houses, and similar uses. The timber-felling *panglongs* began to be established in 1893 and they increased to 97 in subsequent years. Although their numbers began to decline in 1923, they rose again to 80 up to 1927. The firewood *panglongs* were essential to meeting the basic needs of Singaporean households and businessmen. They began to be built in 1898 and their number had reached 85 in 1922. Mirroring the fate of the sawmills, during the economic recession in 1922-1923, their number decreased dramatically to just sixteen in 1927. The expansion of the charcoal *panglongs* was spectacular, increasing from only four in 1893 to 80 in the period 1920-1922, but in 1923 their number dropped to twelve. After the recession, their number rose again to 68 in 1925. The recession caused a dramatic fall in all kinds of *panglongs*. The reason was the drop consumer purchasing power and the closure of *panglongs* by the government for violating various contractual provisions in the area of Bengkalis (Pastor 1927: 40).

Year	Wooden boards	Timber wood	Fire wood	Charcoal	Total
1893	35	18	-	4	57
1896	40	37	-	7	84
1898	52	34	30	15	131
1903	14	86	29	41	170
1913	11	97	46	62	216
1920	4	90	60	83	237
1921	2	86	55	85	228
1922	1	86	85	85	257
1923	1	63	42	12	118
1924	-	68	44	16	128
1925	-	57	28	76	161
1926	-	69	25	28	122
1927	-	80	16	69	165

Table 1. Total number of *panglongs* in Afdeling Bengkalis (1893-1927).<sup>3</sup>

Unfortunately, the data on *panglong* development in the residency of Riau is unobtainable, with the exception of two years, from 1925 to 1927. This is a period in which the Dutch colonial government began to intervene more

<sup>3</sup> Source: Taken from the calculation made by Labour Inspector (G. Pastor) and from MvO (A. Te Velde, onderafdeling Selat Panjang 25-1-1926: 28-29). In 1893, data taken only from *panglongs* areas located under the authority of the sultanate of Siak.



strongly to try to improve the unfavourable working conditions of the Chinese labourers. Table 2 shows that there were only three kinds of *panglongs* in the Residency of Riau. The largest produced charcoal. In 1925 the number of firewood and charcoal *panglongs* was only 203, but they had increased again to 235 in 1927.

Kinds of <i>panglong</i>	Number of <i>panglongs</i> at Residency of Riau		
	1925	1926	1927
Timber logs	20	21	20
Firewood	17	23	21
Charcoal	166	171	194
Total number	203	215	235

Table 2. Total number of *panglongs* in the Residency of Riau, 1925-1927.<sup>4</sup>

The growth in the number of *panglong* in Bengkalis and the Residency of Riau stagnated, especially during the depression of the 1930s. This worldwide economic catastrophe impacted drastically on the purchasing power of consumers.

The establishment of various kinds of *panglongs* led to the creation of Chinese communities in various forest areas in Bengkalis and the Residency of Riau. The Chinese people employed in *panglongs* were all single men from different sub-ethnic groups. They were recruited from the Chinese labour market in Singapore. The most famous place at which they were recruited was the “kedeh nasi” or foodstalls. These stalls served a dual function. They not only sold food but were also a meeting place at which Chinese job-seekers could look for employment in Singapore itself or outside. These job-seekers had only the clothes they stood up in. They had no place to stay or money to cover their cost of living. The Chinese *taukeh*s knew exactly where they should be looking for a labour force for the *panglongs*. To do the actual recruitment the *taukeh*s used brokers to whom they offered a competitive reward. Usually, the brokers were already well informed about what they needed to do to entice job-seekers into accepting their tempting offers. The brokers did their best to hide the location of the workplace, especially if that company happened to have a bad reputation among the labourers. Generally, the brokers dangled carrots like good working conditions and high wages. Therefore, the job-seekers almost never knew the location of the workplace or remained ignorant of the real working conditions. The pattern of labour recruitment was similar to that found among the Chinese labourers working in Deli and Bangka, but differed from that in Belitung (Erman 1995: 107-120; Reid 1970) After their arrival at the workplace, the disillusioned job seekers very often tried to escape from the *panglong* as soon as they possibly could.

<sup>4</sup> Source: MvO (A. Te Velde, onderafdeling Selat Panjang 25-1-1926).

The Chinese brokers were known as "*tukang jual orang*" (the traders in human beings), a term which neatly sums up their bad reputation in the eyes of the labourers. These brokers competed with each other in "selling" information to representatives of plantation, mining, and fishing companies who came to Singapore to recruit a labour force. The *panglong taukehs* gave this job to a person they believed could make good deals with the representatives. If the Chinese people agreed to work, they had to sign a contract in the front of officials from the Office of the Chinese Protectorate. Signing the contract meant they considered themselves already to have been "sold for three years". Most labourers were illiterate and did not understand the contents of the contract and were unaware of their rights and obligations. They even did not know where they would have to go to in Sumatra and what they would have to do in the workplace (*De Sumatra Post* 22-8-1906).

The Chinese labourers in the *panglongs* came from various backgrounds. They were Hoklo, Hakka, Hailam, Teotjoe, Leotjo, and the Chinese people from Macao known as Kongfoe people. Most *taukehs* were either Hokkien or Cantonese (Bruin 1918: 88). Heterogeneity in ethnicity and variation in dialects affected labour relations in *panglongs*. Misscommunications between labourers from different ethnic groups flared up frequently and they were also the touch-paper for individual conflicts between labourers from different ethnic groups. The exception were the Chinese labourers from Macao who worked together in the same workplace. They felt secure and individual conflicts were rare occurrences (Pastor 1927: 3).

The Chinese labourers lived a *kongsi* house. Unfortunately information about their daily life there is not easy to come by. Before leaving for the workplace, the labourers were paid money in advance by the *taukeh*. The sum varied from 10 to 100 (Singapore) dollars per person. This money was used to purchase various essential items like clothing, sunhats and the like and to cover their cost of living during the time they had to spend in Singapore before they were taken to the *panglong* area by *tongkang*. All these items were sold by the owner of the *panglong* at a price higher than the market rate and was consequently soon spent. The advance was noted by the *taukeh* as a debt which had to be repaid by labourers soon after they received their first wage packet. Later it will emerge how very difficult it was for labourers to repay the debt. The amount of the debt had often increased after they had worked off more than three years of their contract. Mainly because the *taukeh* added other non-economic forms of coercion like selling opium to the labourers.

The *taukehs* of *panglongs* had to purchase entry permits at the emigration offices located on Sambu Island, Bengkalis, and Selat Panjang. Although the entry permit was paid by the *taukeh*, later it would be deducted from wages. This permit was not kept by the labourers, but by the head of the Chinese village, a precaution to prevent labourers escaping. However, an observation by a labour inspector on 11 July 1925, remarks that there were still 24 labourers without entry permits in Panglong no. 6 in Sungai Batang. In other cases, the entry permit had the picture of another labourer. This is stark proof of the

manipulation of data about the labourers. The labour inspector thought that, since there were many cases of corruption to do with entry permits, there was some sort of cover-up to conceal labourers who were working at the *panglong* illegally. The photo in the permit was also important to the colonial government, especially in solving the frequent murder cases which occurred in *panglongs*. One example is the case of Leong Heng, a former foreman who did not work in the *panglong*, but acted as a foreman and killed a Chinese labourer there. He had changed his name to Leong Fok. In another case, Koh Fok Tjoeng, who worked in Panglong no. 4 in Sungai Tjontjong, Indragiri Hilir, had a residence permit card without a photo in the name of Lim Djioe (Pastor 1927: 44).

Unfortunately, we have no data which would give some idea of the number of Chinese labourers throughout the period under study. The composition of the Chinese labour force differed from one *panglong* to another, a fact of which the Dutch officials were very well aware. The Assistant-Resident of Bengkalis noted that there were twenty labourers working in a sawmill *panglong*, ten for firewood, and five for charcoal. W.J. Beck from the Labour Inspectorate said that number of labourers employed in timber-getting varied between twenty to sixty people. In 1906, the Resident of Riau reported around 120 labourers at work sawing timber (Pastor 1927: 47).

The lack of information on the exact number of the Chinese labourers was a constant source of irritation to the Dutch officials from the late nineteenth to the second half of the twentieth century. The reasons are several. The scattered location of *panglongs* made them difficult for officials, who had limited marine transportation and few personnel, to reach. Therefore, it was impossible for them to check *panglongs* by crossing from island to island or by penetrating dense forests. Nevertheless, visiting *panglongs* was important, because the Dutch colonial government had did have an economic and social interest in both tax collection and the social protection of labourers. For his part, the head of a *panglong* would provide false information on the number of his labour force to evade taxation. The heads of *panglongs* would hide Chinese labourers in the forest when the government officials visited the *kongsi* house. Table 3 gives a rough estimate of the number of labourers working in *panglongs* in Afdeeling (District) Selat Panjang, Bengkalis for the period 1917-1925.

The number of labourers was quite high at around 4,000 for the year 1917-1918. But the figures tended to decline in the following years. As far as can be gleaned from the sparse information available, this number decreased from 1,950 in 1924 to 1,350 in 1925. The decrease in the number of labourers was the result of a stringent control introduced by the colonial government, in particular the labour inspectors and the local police who had closed *panglongs* which violated the regulations. Labourers who had completed their contracts and did not want to extend them should be sent back to Singapore by the taukeh, as stipulated in the Panglong Regulation.

Year	Number of Labourers	Year	Number of Labourers
1917	4,000	1921	2,642
1918	4,000	1922	Not available
1919	3,361	1923	Idem
1920	2,728	1924	1,950
		1925	1,330

Table 3: Total Number of Chinese Coolies in Afdeling Selat Panjang, Bengkalis, 1917-1925.<sup>5</sup>

Basically, the work organization in a *panglong* did not differ very much from that in other places such as tin- and gold-mines, which were also worked mainly with Chinese labourers. One striking difference in *panglongs* was the absence of the owner of the capital and the conditions in the workplace. The absence of the real owners provided opportunities for the heads of *panglongs*, mandors, and their allies to abuse their power to make their own profit from the *panglong* business. These abuses were exacerbated by the scattered nature of the workplaces, isolated on various islands which made them difficult for the state colonial government to control.

Most of the *taukehs* were also uncertain about their exact location. The owners simply monitored their businesses through the *nakhoda* (skippers) of their *wangkang* or *tongkang* who transported the Chinese people and their basic necessities to the *panglongs*. On their return voyage, the *taukeh* received the timber, firewood, and charcoal which were transported to Singapore on the vessels. The *taukehs* usually had their fingers in many pies. In Singapore the *panglong* products would be exported to various places, including the Malay Peninsula, Siam, British India, Hong Kong, and Japan. By diversifying his business, the *taukeh* could minimize the negative effects of any price decrease in a commodity. For example, a *taukeh* might open a *gambier* plantation after closing a *panglong*. So, if one business collapsed, the *taukeh* would not suffer drastic losses, because another one was there to subsidize it. There were only two *taukehs* who lived on and personally managed their *panglongs*. They were Lam Tin and Jan Jau, who had a number of *panglongs* in Indragiri Hilir and Mandah. They were large-scale, succesful exporters who supplied firewood to Hong Kong in the second decade of the twentieth century (Pastor 1927: 3).

The *taukehs* delegated authority to manage the production process to a person who was appointed the head of the *panglong*. When he chose the head, the *taukeh* would also select some people to be foremen or mandors, whose taks was to oversee the work group. The number of members of the group varied according to the type of *panglong*. A timber *panglong* might have twenty labourers, who had to fell trees and transport the logs to the edge of a river or to coastal areas to be loaded into a *wangkang*. A charcoal *panglong* could be worked by five to ten labourers. When a *panglong* was opened, the labourers

<sup>5</sup> Source: MvO (A. Te Velde, onderafdeling Selat Panjang 25-1-1926: 30).

had to provide their own facilities by constructing a *kongsi* house for the head, the foremen, and themselves. A *kongsi* house consisted of a place of worship, a kitchen, and a long dormitory to accommodate many labourers. Water was fetched from nearby rivers and the swamps in the areas surrounding the *kongsi* house. The construction of a *kongsi* house in the middle of the forest created a Chinese community who created small villages scattered around the locations of the *panglongs*. The area around the *kongsi* house was planted with vegetable to supply basic necessities. Despite a supply of vegetables, the degree of dependence on the supply of basic goods from Singapore was high.

### 3. WORKING CONDITIONS OF THE LABOURERS AND STATE CONTROL

In 1893 the Dutch colonial government in Batavia was shocked by the sharp comments made by the Chinese Protectorate Officer. In his letter, this official commented that the conditions of Chinese labourers in *panglongs* were terrible, akin to slavery. Nevertheless, it took the Dutch colonial government three years to react to these blistering comments by forming an investigation team which consisted of the Resident of East Sumatra, the Assistant-Resident of Bengkalis, and the local police to investigate what was really going in *panglongs*. The results of investigation can be said to have been a failure as far as improving labour conditions was concerned. However, the letter which sounded the warning marked momentous year, one in which the Dutch government did begin to pay attention to the working conditions in *panglongs*.

From that time, the colonial government seized the initiative to check on *panglongs* more strictly and to improve the living conditions of the Chinese labourers. To do so it issued a set of regulations governing labour relations, the rights and obligations of the *tauhehs* and labourers. When push came to shove, efforts to enforce this control were beset with difficulties, because the Dutch colonial government was hampered by both budgetary squeezes and lack of personnel, and was restricted in its access to marine transport facilities. This section will focus on the working conditions of the Chinese labourers and checks on the *panglongs* by the Dutch colonial government.

The monitoring of the working conditions of the Chinese labourers in *panglongs* fell under the aegis of both the British colonial government in Singapore and the Dutch colonial government in Batavia. The contract had to be signed in the Chinese Protectorate Office under the British colonial government. As its name implies, this office served to protect the Chinese labourers recruited in Singapore but employed under the legal system of the Dutch colonial government. R.N. Jackson, who worked in the Chinese Protectorate Office, was an English official who paid great attention to the fate of Chinese labourers in the nineteenth century (Jackson 1965).

The sharp criticisms emanating from this office were made after the Dutch colonial government had completed drafting the labour regulations known as the Coolie Ordinances in 1880. These regulations were initially issued by the colonial government with the intention of giving employers rather than the labourers more protection, their chief purpose being to prevent labour

shortages. The eventually these labour regulations were rounded off in 1889 and in them the government gave equal weight to the interests of employers and labourers (Tjoeng Tin Fong 1947: 63-65).

The biting comment about bad working conditions in *panglongs* was made by the Chinese Protectorate Office when colonial officials in Batavia were trying to get a better grip on labourers in the colony. In practice, the control exercised by the colonial government was not as straightforward as people thought. Theoretically the labour regulations, as the legal basis to control working conditions in the colony, were intended to work as they had functioned in the East Sumatra, but it was not all plain sailing. The root of the problem was the inadequacy of any modern bureaucratic planning for the outer islands (Endert 1932: 270-285). In fact a number of branches of the colonial bureaucracy were involved in efforts to rectify the bad working conditions in *panglongs*: the Resident and Assistant-Resident, officials of the Labour Inspectorate and of the Forestry Offices in the outer islands, including in Sumatra. The Labour Inspectorate was established at the beginning of twentieth century, at a time when forestry offices was still just being set up, especially in the *panglong* areas (Van Braam 1919: 336-350; Boon 1936: 344-373). The intricacies of all these circumstances were compounded by a lack of money, personnel, and marine transport facilities. Undoubtedly these shortcomings were destabilizing factors in efforts to exercise more effective control over the *panglong* businesses and ameliorating labour conditions.

The Dutch colonial government responded to the negative comments made by the Chinese Inspectorate by establishing a commission of enquiry chaired by the Resident of East Sumatra. The task of the commission was to investigate the validity of the official report of the Chinese Protectorate. Many difficulties were pinpointed during the investigation, hurdles like the isolated location of *panglongs* and their inaccessibility and the fact they were closed off from the outside world. Only the skippers of *tongkangs* knew their locations and could access them. Importantly, the investigators reported that the Chinese labourers were burdened by enormous debts. Many labourers had tried to escape their workplaces several times, in an attempt to evade the arduous working conditions. Unfortunately, most of the escapees did not succeed and were brought back by Malays who would be rewarded for their capture (De Bruin 1918: 50-51). The authors of the report surmised that the only opportunity Chinese labourers would have to escape would be if they worked together to mutiny against the skippers of the *tongkangs*.

The colonial state benefited from the purchase of the entry permits and from the tax collected on the products exported by *panglongs*. The observation made by J.A. van Rijn van Alkemade in 1897, when he travelled from Siak to Palalawan, reveals that the sultan of Siak received half a dollar from every Chinese coolie who worked in a *panglong* (Van Rijn van Alkemade 1897: 118). After Siak signed a contract in which it submitted to Dutch rule in 1857, the authority to collect this tax was handed over to the Dutch government. In 1932, the amount the Dutch colonial government collected from the timber exported

amounted to f 1,000,000 (Endert 1932: 274). These businesses proved lucrative to the Dutch colonial government until the world economic depression of the 1930s. Taxes from timber production decreased for the period 1927-1932 as the number of *panglongs* was reduced. Many *panglongs* closed because timber prices continued to decline as demand for timber dropped (Van Bodegom 1932: 259).

In the early years of twentieth century, the problem of the working and living conditions of labourers was a heated topic of discussion among government officials and politicians in Batavia, in meetings of the Volksraad (the colonial Parliament) and sessions of the Dutch Lower House. In short, there was a general and recurrent debate about contract labour and the negative effect it had on labour conditions, which is discussed at some length by Breman (1989) and Erman in the Ombilin coal-mines (Erman 2002). In his analysis of labour conditions, Lindblad (1989: 1-23) has directed his arguments towards the economic motives behind modern Dutch imperialism. Vincent Houben (1994) has focused on the "profit versus ethics" debate. These discussions finally effectuated state colonial intervention, most visibly present in the establishment the Labour Inspectorate. Unquestionably, the case of the *panglongs* fits into the context of the "profit versus ethics" controversy as will be discussed below.

Although the *panglong* issue was a part of a broader debate among state actors from various state colonial institutions, the person who had the greatest effect was the journalist Matthijs Vierhout who really did influence the social policy of the colonial government. The discussion about the *panglongs* was set off by what Vierhout published in the newspaper *De Locomotif* entitled "Recht en Link" (Right and Left), re-published in the newspaper *De Soematra Post* under the title of "Panglong-koelies" (*De Sumatra Post* 22-8-1906). The results of his investigations in the Riau Lingga Archipelago presented irrefutable proof that the conditions of the Chinese labourers were abysmal. Their wages were low. All the cash advanced by the *taukeh* had been spent on purchasing what they needed from stores supplied by *taukeh* at prices far higher than they would have had to pay in the market. This factor was completely separate from the abuse of power by the heads and foremen of *panglongs*. The report stated that the Malay sultanate of Riau-Lingga (*Inlandsche zelfbestuur*) received an unusually high income from the concessions it granted the Chinese *taukeh*s. He added a critical addendum to the report pointing out that was impossible for the Dutch government to control such activities because it simply did not have either enough marine transport or personnel. This comment was repeatedly raised by officials who visited the *panglong* areas subsequently. Low-ranking officials had only a sailing boat to assist them in performing their duties. This outmoded form of transport hampered their ability to reach the scattered islands. Nature did not help either, as the area of, for instance, Natuna was notorious for its heavy surf. One of the major proposals to ensure the introduction of good governance in the *panglong* region was the absolute necessity to provide fast government motor vessels. Unfortunately arguably

less government attention was paid to this suggestion, so that the smuggling of Chinese labourers and opium on tongkangs which could easily reach the *panglong* continued pretty unhindered. It was the same story with the *panglongs* in Riau Residency. It was ironic, according to the author in summing up his report, that many expeditions from Batavia to the outer islands did use fast, more sophisticated vessels. However, as the government did not have enough budget, his suggestion remained a pipe-dream.

Vierhout's report reached the Ministry of Colonies in the Hague. Minister of Colonies Van Kol was aware of the bad working conditions being hotly discussed throughout the length and breadth of the Netherlands Indies, especially in the mining and plantation regions located in East Sumatra, Bangka, Ombilin-Sawahlunto, and in Bengkulu, which included the *panglong* areas. Therefore, he suggested that the governor-general send an official from the Inspectorate of Labour to investigate the *panglongs*. In 1907, D.C. Stibbe was assigned the task of investigating the working and living conditions of the Chinese labourers in Bengkalis and the Riau Residency. The results of his investigation tallied with those in Vierhout's report. Therefore, he seconded Vierhout's suggestion for the necessity of tighter control of the *panglongs* by the Dutch government. In addition to providing a faster patrol boats, that is, motorboats, he suggested a watch-post manned by a policeman and the construction of a hospital (*Javasche Courant* 14, 17-5-1907). In 1908, the Dutch colonial government issued a regulation called the Panglong Reglement which among other matters required the *taukehs* provide Chinese labourers with adequate food and medical services (*Staatsblad* 1908 no. 448). The implementation of this regulation gave the Dutch colonial government the authority to keep an eye on those owners of *panglongs* who tend to neglect the working and living conditions of the Chinese labourers.

In practice, the regulations issued by the government to protect the Chinese labourers fell far short of expectations. One piece of evidence is gleaned from the health conditions of the labourers. In 1913, the number of patients treated in the *panglong* hospital in Selat Panjang was fairly numerous, 291 patients in all; 58 of them suffering from *beriberi*, twelve of whom died. In 1914 the number of patients treated increased to 363 people, 103 of them afflicted by *beriberi*. The mortality rate increased to 22 people. Consequently, J. Snellen van Vollenhoven from the office of *Het Chineesche Zaken* in Batavia visited ten *panglongs* in Bengkalis and the Riau Residency in late 1918 and again in early 1919. The two reports written by Van Vollenhoven tell the same story, confirming the previous findings of colonial officials. The list was long: fraud in labour recruitment, opium addiction among the labourers and their the debt entanglements, which meant that they could not extricate themselves from their contracts within the period of three years (Pastor 1927: 33). The Chinese labourers struggled in appalling working and living conditions, having to put, up with inadequate food, primitive shelters in the middle of the forest and no clean drinking water.

These issues were crucial stressed Van Vollenhoven and other Dutch



government officials. The next issue raised was of the Chinese labourers seemingly bound in perpetuity to the *panglongs*, far beyond the three years stipulated in their contracts. They had been landed in this quagmire by the *taukeh*s. By selling opium to the labourers, the latter were actually exerting non-economic coercion which could leave the Chinese labourers dependent on opium. At first, smoking the drug was just a process of trial and error for the new arrivals. However, over time, they were hooked, partly socially by wanting not to be left out, and partly medically because the opium itself was addictive. So much so that eventually users wanted to smoke it continuously. The use of opium by the Chinese labourers varied from 1 to 6 *mata*<sup>6</sup> a day per person according to the report by a *panglong* head. However, the real extent of opium consumption is difficult to assess. For example, the data collected by the Dutch officials covers only the amount of opium imported officially, but large quantities of opium were smuggled from Singapore to the *panglongs* on *tongkangs*. The lack control by the Dutch colonial officials and their access to limited marine transportation meant it was impossible to prevent the smuggling of either opium or labourers from Singapore. Many years passed and it was only in August 1924 that the government could intercept the smuggling of opium in large quantities carried to Bengkalis on *tongkangs* (*Bataviaasch Nieuwsblad* 16-8-1924).

These issues were all raised in reports submitted by government officials in the years which followed. Further evidence is provided by the large number of complaints made by the Chinese labourers to a Dutch Official, translator for the Chinese language. These complaints reveal that most of labourers could not return to Singapore because they were still in debt to the head of their *panglong*. The misery is also in evidence in similar narratives about the bad conditions of Chinese labourers noted by Van Vollenhoven. These give plenty of examples of the stark insecurity of their working conditions. For example, on 13 July 1915, a case was brought before the Landraad. A foreman had bound a labourer to a millstone and then whipped him repeatedly, so badly in fact he died. The labourer had worked in the *panglong* for three months and he had already tried to escape three times. His third attempt had also been unsuccessful, because a Malay rower who collaborated with the head of the *panglong* had brought him back to his foreman (*Bataviaasch Nieuwsblad* 16-08-1924). On 10 October 1916, a labourer tried to escape from his *panglong* for the second time unable to endure the terrible working conditions. He managed to reach the sea shore and wanted to escape to a village located on the banks of the Kateman river. But then his luck ran out, because a Malay fisherman, the owner of the *sampan*, wanted to take him back to the workplace. The owner of the *sampan* could collect a reward of 3 dollars for a labourer returned to the *panglong*. Another sad story happened in Panglong no. 33 in Bengkalis. There was one labourer suffering from leprosy, six people had been seriously injured and another had been killed. Some others had been abandoned in a hut in the woods because of severe injuries to several parts of their bodies.

<sup>6</sup> 1 *mata* = 1,28 gram.

Van Vollenhoven's reports record in detail plenty of appalling stories about the living conditions of the Chinese labourers. After discovering many cases of bad working conditions of Chinese labourers in *panglongs*, Van Vollenhoven finally asked why the labour inspectors did not do anything about them. He also criticized the attitude of the colonial government which prioritized savings in the government budget and chose to ignore the bad working and living conditions of the labourers. Van Vollenhoven ended his report by saying that the best way to abolish slave-like conditions in the *panglong* would be to post the competent officials to Bengkalis and the Riau Residency.

Despite the urgency of his message, the colonial government in Batavia did not address the issue immediately. In fact, it took five years to arrive at a decision. Its sluggish response to this issue might be in part attributable to the political and economic conditions during and after the First World War. This conflict had a negative impact on the marketing of products from the Netherlands Indies on the international market. Another reason was closely related to the ongoing formation but still incomplete structure of the Dutch colonial bureaucracy in the outer islands. Nevertheless, some Dutch officials were posted to the *panglong* areas where it was their duty to halt any activities which violated the regulations, including the smuggling of Chinese labourers and opium, not meeting their social obligations towards their labourers and abuse of power by foremen. As said, to eradicate these violations, sufficient marine transportation and personnel were absolute necessities. And this required a healthy budget. However, allowing these abuses to continue was just as detrimental to the Dutch colonial government itself, because its economic interests were being undermined. Production might stagnate if large number of Chinese labourers felt compelled to try to escape. Working and living conditions were insecure, not least because of threats posed by the natural environment. The Chinese labourers both in the forest and in the kongsi house itself were frequently attacked by tigers or by crocodiles in the swamps and rivers. Stories of these attacks on the labourers became daily news in the *panglong* areas (*De Indische Courant* 29-6-1932; *De Sumatra Post* 5-11-1935). The feelings of insecurity among the labourers in kongsi houses were aggravated by robberies perpetrated by local residents. One such case of robbery was carried out by Pak Manap and his gang in the *panglong* located in Bubalan, Pangkalan Berandan in 1911. This band of thugs robbed the labourers of their clothes, money and all their basic necessities. Robberies in the *panglongs* attracted the attention of various journalists and even of the governor-general in Batavia (*Het Nieuws van den Dag voor Nederlandsch-Indië* 1-3-1911, 25-4-1911; *Algemeen Handelsblad* 17-4-1912; *De Telegraaf* 3-4-1911; *De Sumatra Post* 6-5-1911; *De Tijd* 17-4-1912).

The slow response of the Dutch colonial government to address the issue of insecurity in *panglongs* was criticized and debated by politicians in the colonial House of Representatives, the Volksraad, in 1923. Members of the Volksraad had questioned the issue of the bad working and living conditions of the labourers in meetings in Batavia. One of these politicians was Haji

Agus Salim. He recalled some of his childhood experiences in 1904 and 1905 when he had accompanied his father and four police inspectors on a visit to investigate criminal cases which had occurred in *panglongs*. Haji Agus Salim closed his speech by describing the fate of the Chinese labourers as “their souls have been sold for thirteen rupiah and half” (Pastor 1927: 37).

The sharp criticism of the members of the Volksraad in the second decade of twentieth century did have positive impact on the improvement of working and living conditions of the labourers, especially under a liberal Governor-General Dirk De Fock. This was a period in which many socio-political organizations such as Sarekat Islam and the Indonesian Communist Party were finding their feet and becoming more articulate. Hence the Dutch colonial government began to pay more attention to violations of labour regulations. There is little cause to doubt that the Dutch government was aware of the abominable labour relations in *panglongs*. Therefore, it formulated a policy of setting up a co-operative supervision of cross-sectoral government institutions, especially between the labour inspectorate, forestry, the police, and the heads of sub-districts and residencies. In 1924, the Labour Inspectorate opened branch offices in Tanjung Pinang and Bengkalis. These branch offices made the task of checking more efficient than it had been before. To make their supervision of the *panglong* areas as effective as possible, the officials of the Labour Inspectorate cooperated with policemen and officials from the Forestry Service whose task was to patrol the forest areas in such places as Tanjung Pinang, Selat Panjang, Penuba, Karimun, and Tembilahan. In the Forestry Service, each official had the task of overseeing five or six *panglongs*. So that they could work efficiently, the Dutch colonial government provided funding for the purchase of a steamer and several motor boats which could be used in carrying out their duties (BGG 7-5-1923 no. 50).

In the first half of 1925, the Dutch colonial government increased funding for the provision of marine transport facilities. It purchased more motor boats for the officials, hoping that this would make checking in the *panglong* areas more effective. Since the beginning of 1927, the labour inspector in Riau had had a motorboat the “*Datoe*” at his disposal (BGG 28-12-1926 no. 24). In 1925, a translator for the Chinese language had been posted to the branch office of the Labour Inspectorate in Tanjung Pinang and, in 1925, an official from the Labour Inspectorate was stationed in Bengkalis (*Gouvernements-Secretarie* 3-7-1925 no. 1250/II A2). After the appointment of this Dutch official, the Head of the Labour Inspectorate in Batavia, A.G. Vreede, felt optimistic about improvements to the controlling of *panglong* areas and the Chinese labourers (*Bataviaasch Nieuwsblad* 27-8-1925). In 1925, the Resident of Riau set up a *panglong ziekenfonds* (health insurance scheme), of which a Chinese *taukeh* would be one of the members in Tanjung Pinang, Batam, Karimun, Penuba, and Tembilahan. The foundation of the *panglong ziekenfonds* was intended to ensure that the Chinese labourers working in *panglongs* would have proper access to health care.

Stricter control of *panglongs* by the colonial government can be seen in the

rules it issued. The most important was that the head of the local government, be he an Assistant-Resident or Resident, was entitled to terminate the operating licence of a *panglong*, if: 1) the *taukeh* or his representative in the *panglong* act arbitrarily and ill treated the labourers; 2) the licensee of the *panglong* did not provide good housing, adequate food, and health care for the coolies; 3) the licensee of *panglong* did not pay wages on time should be noted in a wage book; 4) the licensees of the *panglong* committed habitual violations of all the rules issued by the government. How far these rules were observed by the *taukehs* and to what extent the government could enforce the law on *panglong* owners who violated the rules above, can be seen in the following example.

Besides the widening of the scope of the colonial bureaucracy and the tighter government control on the *panglongs*, there are other changes, especially in the ways in which the labour inspectors investigated the data collected. Earlier data from surveys carried out by officials who had preceded Van Vollenhoven turned out to be pretty useless, because much of it had been falsified by the heads of *panglongs*. Compounding the damage caused by data falsification, the Chinese labourers were also scared to disclose the problems they had to face including late payment of wages, lack of food and water and the insecurity threatening their way of life to the labour inspectors. They feared punishment by the foremen. In order to collect information from the labourers as much as possible, the labour inspectors did not inform the time of their investigation to the head of *panglong*. Labour Inspectorate officials, policemen and forestry officials no longer visited the *kongsis* houses as they had done in previous years.

The investigation team went directly to the *panglong* area in the middle of the forest and interviewed the Chinese labourers separately, without attracting the notice of their foremen. Through an interpreter, the labourers began to dare to express their problems to officials. The results of inspections in 1924 and 1925 provided evidence of a whole raft of violent acts, fraud, caning, and murder (*Het Nieuws van den dag voor Nederlandsch-Indië* 11-8-1925). Therefore, the results of Labour Inspectorate in 1925 concluded that the conditions of the Chinese labourers in *panglongs* were far worse than those of the Chinese and Javanese labourers in East Sumatra, on Bangka and in Sawahlunto.

At this juncture it is impossible to describe the results of annual investigations of the Labour Inspectorate in more detail. The investigation reports show similar, repeated stories about the terrible working and living conditions of the labourers. G. Pastor of the Labour Inspectorate in Batavia has given a detailed report of the investigation into the *panglongs* in Bengkalis and Tanjung Pinang. He concluded that these conditions at the time of enactment of the labour regulation were still very far from being what should have been expected. Great concern was raised about the many cases of vigilanteism perpetrated against the labourers by foremen. For instance, Tjan Tau and Lau A Fok were accused of having stolen a ring and were punished by their foremen without any form of investigation into the charge. The head of the *panglong* ordered two foremen, Heng Lie and Lie Jie, to tie Liong Kwai up with

a rope, cane him and then take him to a *sampan*-owner to be abandoned in a forest in Sumatra. But the *sampan*-owner thought he could profit from these two unfortunates. He took them to Panglong no. 82, hoping be rewarded with "opium geld". Unfortunately, the head of the *panglong* did not want to employ them, wary of the amount of scarring on their bodies caused by the caning. The head of the *panglong* sent them into the forest where they were eventually discovered by the Labour Inspectorate team. In another case, Sieuw, Liong Tjoi, and Tjong Jie, who were still young - only about fifteen, were victims caning by their foremen. Not only had the bamboo badly bruised them, in places the flesh had been laid open to the bone. Tjong Lie who had been beaten by his foreman, Seng Tjung, died and other labourers were ordered to bury him for an extra payment of 1.50 dollars (Pastor 1927: 57).

When it did set about to rectify the bad working conditions, the colonial government blamed the Chinese *taukeh*s who had not taken any responsibility for their labourers. It seems that the colonial government was better equipped to tackle the this labour problem than were the Chinese *taukeh*s. The strength of the colonial government derived from the reformation of the late-colonial state-formation in which the Labour Inspectorate had already been instituted under the Department of Justice. It could now carry out more intensive investigations than it had ever been able to pursue before. Armed with the results of the investigation by the Labour Inspectorate, the colonial government pressured the *taukeh*s to assume more responsibility for their people and to donate some of their money to establish a *panglong* hospital. Heeding the suggestions made by the labour inspectors, in 1931 the colonial government closed eight *panglong*s that had violated labour regulations (*Het Nieuws van den Dag voor Nederlandsch-Indië* 20-3-1934).

There were some improvements in labour conditions after the second decade of twentieth century. Wages were paid on time, something which had not happened in previous years. Malfeasance in payment in advance and debt calculations by the head of *panglong*s began to decrease (*Bataviaasch Nieuwsblad* 1-11-1927). Progress was also visible in the provision of housing, food, and health care. The number of opium-users among the labourers tended to decrease. The decrease in opium was also as a result of cutting back on the supply of opium by *taukeh*s to *panglong*s during the depression. The (kangaroo) "*panglong* court" which the head of *panglong* had once headed was already in decline.

The Chinese *taukeh*s began to change their attitudes too, not just because of increased pressure by the colonial government but also because their business prospects during the depression were gloomy and they had new competitors, in the form of Japanese businessmen. In October 1933, the governor of East Sumatra granted concessions in the area of Mering Forest to a Japanese businessman, Takahashi. The ownership of the concessions was then taken over by the company Nanyo Ringyo KAISHA. In Rangsang, concessions were awarded to two Japanese businessmen, KUDJI and Miagughi who had a working capital of ten million guilders (MVO, O.J. Rookmaaker 26-10-1933:

3-4). Changing attitudes of the *taukehs* can be seen from the shift of controlling *panglong* from Singapore to the site of *panglong* area. As an example, in 1928, *taukeh* A Kong stayed for months in his *panglong* area (*De Telegraaf* 28-2-1928). Communication between colonial officials and *taukehs* began discussing the issue of the collapse of the timber market during the depression. Many *taukehs* had been forced to close their *panglong* businesses and look for other opportunities like as *gambier* and *sago* plantations. *Taukehs* moved the Chinese labourers to work on the *gambier* plantations or had repatriated them to Singapore (MvO, W.H. Gerritsen 26-8-1933: 20).

As said earlier, they had no hope of being free after having worked out their three-year contract. It means that the working and living conditions of the Chinese labourers were akin to slavery. They were caught in a vicious circle being under contract to work in order to pay off their debts which keep piling up because of the imposition of non-economic coercions by the dismal Chinese *taukeh* implemented through the head of *panglongs*.

The working and living conditions of the Chinese labourers in *panglongs* prove that the politics of exploitation was also rife among the Chinese capitalists. The ways in it was implemented in a *panglong* business was composed of many factors. It was the product of an amalgam of economic interests, the management of the production process, non-economic coercion and security problems in the workplace. Until the second decade of twentieth century, the role of colonial state in controlling the businesses, supervising the working and living conditions of Chinese labourers was weak. This lack of control by the state is inseparable from malfunctioning of the bureaucracy in the outer islands and from the budgetary limits which made it very difficult to provide marine transportation and personnel. However, gradually limitations began to be overcome, especially when the issue of the living conditions of Chinese labourers became a pressing public issue and was hotly discussed on a wider level in the Volksraad and the Lower House in the Netherlands. Intervention by the state brought a reduction in the number of violent attacks on Chinese labourers by foremen, an improvement in health care, food, and the accommodation in the *kongsi* house. The introduction of new methods of investigation by the labour inspectors meant that the Chinese labourers could now stand up for themselves and complain about miserable living conditions and any violence committed by their mandors to the Labour Inspectorate officials.

#### 4. CONCLUSION

The amount of capital owned by Singaporean Chinese *taukehs* and the high demand for forest products were the principal reasons for the establishment of *panglongs*. These businesses were controlled by the *taukehs* in Singapore, and the work on them was done by the Chinese labourers recruited from Singapore and transported to isolated, cut off, scattered *panglong* areas in the eastern region of Sumatra. The advent of the Chinese labourers meant the formation of small Chinese working class communities living in the rich

forest areas. The profits of the *panglong* businesses poured into the hands of the *taukeh*s who lived in Singapore, where they accumulated the *panglong* products and re-exported them outside Singapore, mainly to other parts of Southeast Asia and the Far East. The Chinese labourers who produced what they sold had to toil away in miserable living conditions. It seems that the fate of the Chinese labourers exploited by the Chinese *taukeh* was worse than other cases as shown by Jan Breman and Ann Laura Stoler in his/her studies or of those in the Bangka tin-mines and the Ombilin coal-mines as studied by Heidhuis and Erman. However, unlike what happened to the Javanese labourers mentioned above, the miserable living conditions of the Chinese labourers in *panglong*s occurred far away from the public eye; hence the late response of the colonial government apparatus. Therefore, the protest lodged by Haji Agus Salim in the Volksraad caused such a public outcry.

The atrocious living conditions were the result of the manipulation of the recruitment process, lack of proper food and health care, payment problems, abuse of power by foremen and lack of security in the workplace. The workplace of a *panglong* business was as a powerful element which could influence the working and living conditions of the labourers. Limitations in budget, marine transport facilities and personnel, compounded by the still sketchy formation of the colonial bureaucracy, undermined the ability of the colonial state to control the *panglong*s and offer the Chinese labourers proper protection. When the issue of the miserable conditions of the Chinese labourers was published in the press and debated by politicians in the Parliament (Volksraad) and the Lower House in the Hague in the second decade of the twentieth century, the colonial state stepped up its efforts to intervene more effectively than it ever had done before. Its most potent measures were the passing of the Panglong Reglement, proper law enforcement, provision of better transport facilities and appointment of the personnel needed to impose law and order and the setting up branch offices of the Labour Inspectorate. All these factors conspired to ensure the success of efforts to improve the working and living conditions of the Chinese labourers.

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