



The Dutch East Indies

The Rise and Fall of a South-East Asian Colony

By Marcus Fielding

The Second World War was a significant geostrategic inflection point in Australia's development as a nation.

One of the lesser-known chapters of that story is that of a large and close neighbour to our North. One where a long-standing and friendly European colonial power at the start of the war became a newly formed, ethnically fractious, Muslim majority republic. This is the story of how the Dutch East Indies became Indonesia.

To understand the tumultuous events that occurred during and immediately after the Second World War, we must first recall how the Dutch East Indies came about.

How the Dutch East Indies Came About

In March 1602, the States General of the Netherlands granted a privately owned company - the VOC or Dutch East India Company - a charter to carry out trading activities, to maintain an army and a navy, to build fortresses, to wage war, to negotiate treaties across South-East Asia, to imprison and execute convicts, and even to strike its own coins.

The company established a base at Batavia (now Jakarta), which became the centre of its Asian trading network.

Over the next two centuries, the company acquired additional ports as trading bases and safeguarded its commercial interests by taking control over surrounding territory.

To their original monopolies on nutmeg, peppers, cloves and cinnamon, the company and later colonial administrations expanded and introduced non-indigenous cash crops like coffee, tea, cacao, tobacco, rubber, sugar and opium.

Statistically, the VOC eclipsed all of its European rivals in the Asian trade. Between 1602 and 1796, the VOC sent nearly a million Europeans to work in the Asia trade and netted for their efforts more than 2.5 million tons of Asian trade goods.

The company realised enormous profits from its spice monopoly and slave trading activities through most of the 17th Century. It paid annual dividends to shareholders that averaged approximately 18% of their invested capital for nearly 200 years.

Despite its profitability, in the late 18th Century, increasing piracy, smuggling, corruption, and growing administrative costs bankrupted the company, which was formally dissolved in 1799. Recall, this was just thirty years after Captain Cook landed at Botany Bay.

The VOC's possessions and debt were nationalised in 1800 under the Dutch Republic as the Dutch East Indies and placed under the administration of a Governor-General.



During the 19th Century, the Dutch fought many wars against indigenous rulers and peoples, which caused hundreds of thousands of deaths.

The colony contributed to Dutch global prominence in spice and cash crop trade in the 19th century, and coal and oil exploration in the 20th Century.

The Dutch East Indies was one of the most valuable colonies under European rule, though its profits depended on exploitative labour.

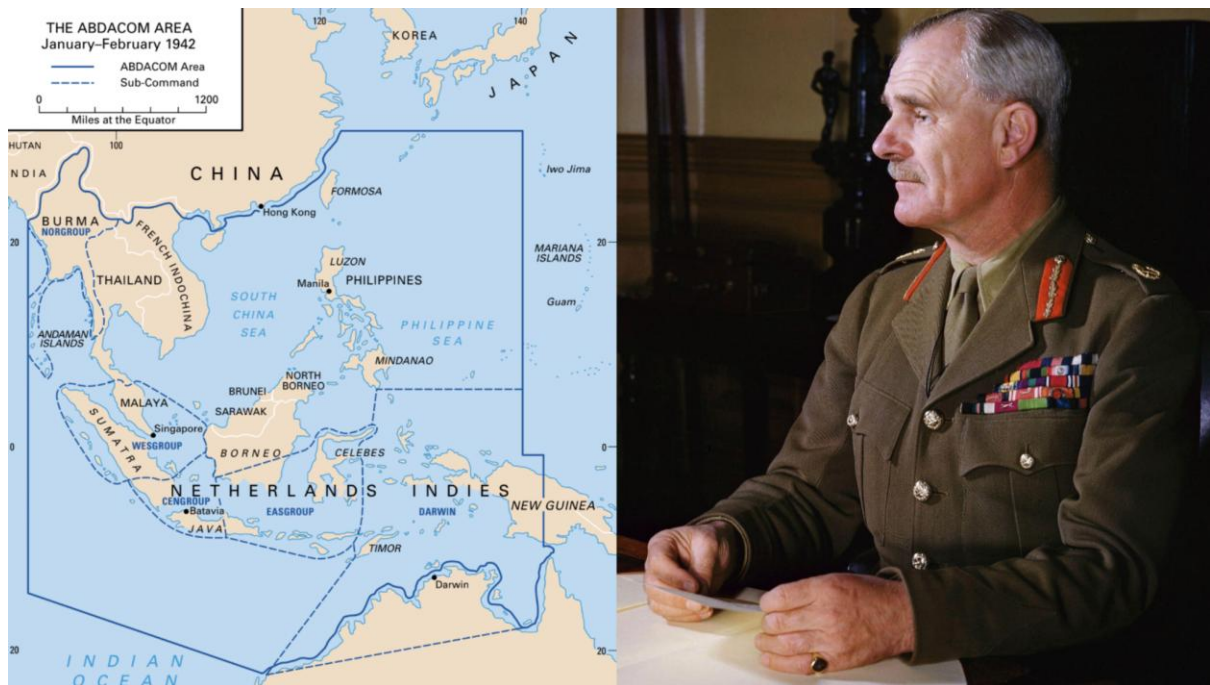
Dutch rule reached its greatest territorial extent in the early 20th Century with the occupation of Western New Guinea.

The Second World War in the Pacific

The Netherlands capitulated their European territory to Germany on 14 May 1940. The royal family fled to exile in Britain.

The Dutch East Indies administration continued to function, and Governor General van Starkenborgh declared martial law, ordering 19 German cargo ships to be seized and all German nationals to be interned pending the liberation of the Netherlands.

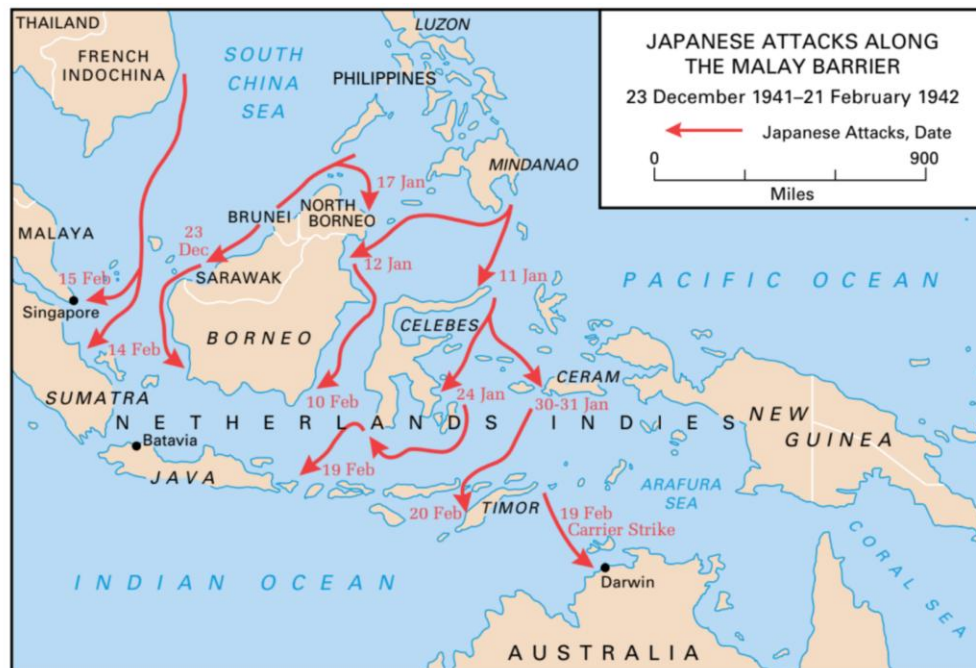
On 27 September 1940, Germany, Hungary, Italy and Japan signed a treaty outlining "spheres of influence". The Dutch East Indies fell into Japan's sphere.



In late 1941, as Japan began offensive operations in the Pacific, Allied forces formed the short-lived American-British-Dutch-Australian Command, led by Lieutenant General Sir Archibald Wavell, to defend the "Malay Barrier".

By 15 January 1942, Wavell had established his headquarters on Java. The British general regarded the security of Burma and Australia to be critical, and viewed the

hundreds of islands in between those geographic ends of his command as expendable bases for delaying operations. But the Japanese advance through Malaya and into Burma proved unstoppable.



In the second week of January, the Japanese staged several landings in Borneo and Celebes; on 23 January, they also took Rabaul from the Australians. By the end of the month, they had moved down the Malay Peninsula, pushing British Commonwealth forces onto the island of Singapore. ABDA Command appeared unable to hold any of its broad defensive perimeter.

On 10 January 1942, Japanese forces first invaded the territory of the Dutch East Indies. The rubber plantations and oil fields were crucial for the Japanese war effort. On 1 March 1942, they landed in Java. Allied forces were quickly overwhelmed by the Japanese, and on 8 March 1942, the Royal Dutch East Indies Army surrendered unconditionally.



In addition to thousands of Allied soldiers, sailors and airmen becoming prisoners of war, approximately 100,000 Dutch and European men, women and children were interned.



The Governor General entered Japanese custody, but he did not surrender civilian power. The Dutch government-in-exile quickly transferred civilian power to Lieutenant Governor-General van Mook, who had evacuated to Australia. This legitimisation was used to form the Dutch East Indies government-in-exile in Australia.

Following the destruction of an ABDA strike force at the Battle of the Java Sea in February–March 1942, ABDA Command effectively ceased to exist, and on 17 March 1942, the U.S. Government appointed General Douglas MacArthur as Supreme Allied Commander of a new South West Pacific Area.

One Allied submarine sank the Japanese ship carrying half the Japanese civilian administrators trained to take control of the Dutch East Indies. This forced the Japanese occupiers to use local indigenous people to perform some leadership and administrative functions.

A vast majority of the indigenous Dutch East Indies population first welcomed the Japanese as liberators from the colonial Dutch empire, but this sentiment changed as the occupation turned out to be far more oppressive and ruinous than the Dutch colonial government. It has been estimated that four million people died in the Dutch East Indies as a result of the Japanese occupation.



Meanwhile, in Australia, the Dutch East Indies government-in-exile established offices at Camp Columbia at Wacol outside of Brisbane. Several Dutch military units, ships and aircraft managed to evacuate to Australia and contributed towards the Allied efforts against the Japanese throughout the war, including commando units operating in the Dutch East Indies.

The term 'Indonesia' had been used for the Dutch East Indies geographical location since the late 19th Century, and in the early 20th Century, local indigenous intellectuals conceived of 'Indonesia' as a nation-state. In contrast to the Dutch, the Japanese allowed indigenous leaders to grow influence among the local population,

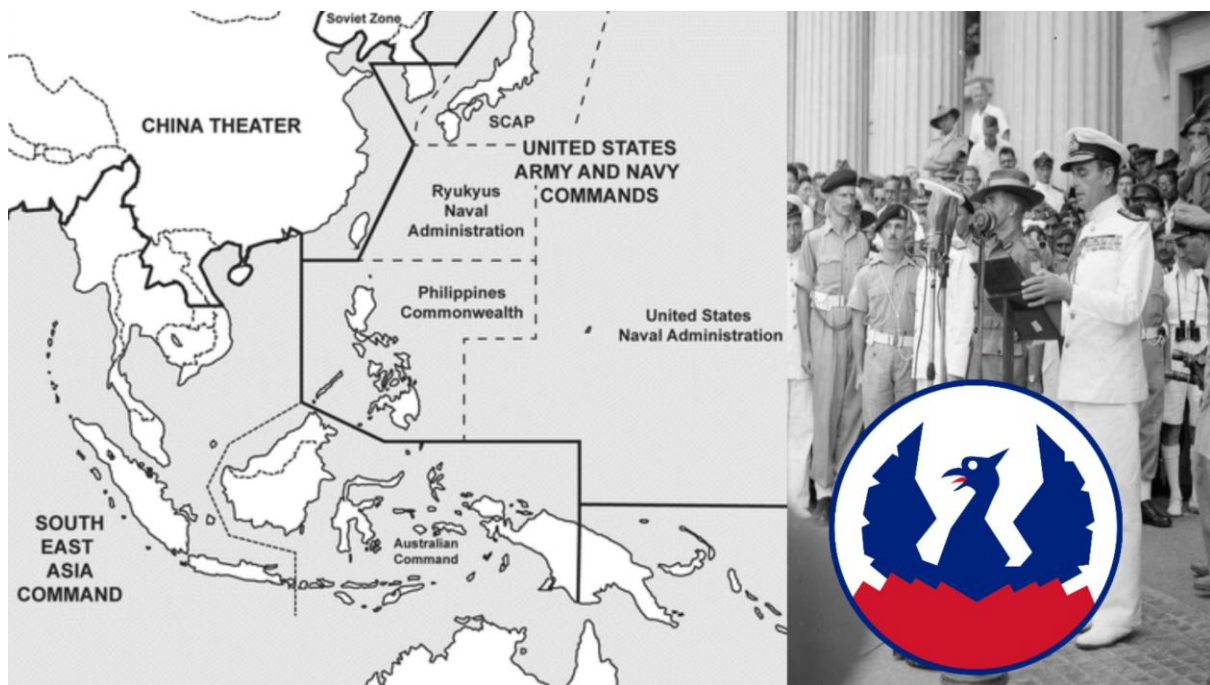
and younger indigenous men received militia training and weapons, setting the stage for a nascent independence movement.

The Dutch-Indonesian War



Aided by armed militias formed by the Japanese during the occupation, Indonesian nationalists in Java declared Indonesia a republic and independent from the Netherlands two days after the Japanese unconditional surrender.

The Dutch government, however, was intent on re-establishing control over its lucrative colony, thereby starting a four-year-long war or police action now known as the Dutch-Indonesian War or the Indonesian National Revolution.



After the Allied meeting at Potsdam and the Japanese surrender on 15 August 1945, the Dutch East Indies territory was subsumed into Lord Louis Mountbatten's overstretched South East Asia Command (SEAC) - an enterprise known to American cynics as 'Save England's Asian Colonies'. But actually, the majority of SEAC's area of responsibility was the former Dutch and French colonies.

At this stage of the war, Australian troops were located in parts of the former Dutch East Indies territories, including Borneo, Morotai, Ambon and Western New Guinea. The Australian area of responsibility under SEAC was considerable. And like all the Allied forces in the post-conflict occupation, there were too many responsibilities and not enough troops and resources.

But the key terrain in Java became a British responsibility. When they managed to arrive in Java in October, they found the nationalists well-established and gaining popularity and control.

They initially avoided significant conflict with the nationalists. It was only possible for British forces to establish a military government in parts of Indonesia, and a shortage of troops forced the Allies to use the 65,000 surrendered Japanese troops to maintain civil order.

The nationalists used the Allied prisoners of war and civilians interned by the Japanese as bargaining chips for political ends, and attacked Japanese troops awaiting repatriation to seize their weapons. Before long, British, Indian and Japanese troops found themselves in increasing conflict with the nationalists.



A British Indian Army Brigadier, A. W. S. Mallaby, was killed when he pushed a group of nationalists to surrender their weapons near Surabaya in Eastern Java.



The British retaliated in strength with a coordinated sweep that began on 10 November 1945, under the cover of air attacks. Although the Allied forces largely captured the city in three days, the poorly armed nationalists fought for three weeks, and thousands died as the population fled to the countryside.

Despite the significant defeat suffered by the nationalists, the fight they mounted galvanised the nation in support of independence and helped garner international attention.



The Battle of Surabaya has subsequently become a symbolic touchstone of the Indonesian independence story and continues to feature in art, books, film, computer games and reenactments. The 10th of November is commemorated, indeed celebrated, in Indonesia as 'Heroes Day'.

The British were reluctant to devote their scarce resources to the defence of Dutch interests and were keen to pull their soldiers out of the Dutch East Indies.

The Dutch colonial administration returned to Batavia, and throughout 1946, 150,000 Dutch soldiers were mobilised in Holland and relieved the British and Indian forces in the Dutch East Indies.

By the end of 1946, all the British and Indian soldiers had withdrawn, and the British Government had formed the view that momentum lay on the side of the nationalist cause.



The British sent high-level representatives to bring the Dutch and Indonesians to the negotiating table. The result of these negotiations was the Linggadjati Agreement, signed on 15 November 1946, where the Dutch acknowledged the nationalists' de facto authority over Java, Sumatra, and Madura. In exchange, the nationalists agreed to discuss a future Commonwealth-like United Kingdom of the Netherlands and Indonesia - a 'two-state solution'.

Initially siding with its former Second World War Dutch ally, Australia saw the conflict as an internal matter that didn't warrant UN intervention. As part of the Linggadjati Agreement, however, Indonesia became an independent member of the UN in late 1946. This gave the Australian foreign minister, H.V. 'Doc' Evatt, cause to argue that the dispute was now between two countries and warranted further action. With India's support, Evatt raised the dispute with the UN Security Council. A ceasefire was proposed, alongside the deployment of military observers who would report breaches to an international committee.

But implementation of the Linggadjati Agreement broke down, and the Dutch weren't prepared to let go of their colony just yet. To reassert full control, the Dutch launched military operations against areas controlled by the nationalists in July 1947. In a series of actions, the Dutch successfully regained full control over East and West Java and key parts of Sumatra.

The UN called for a ceasefire, and negotiations between the two sides led to the Renville Agreement of January 1948. The Dutch then established states in the areas they had reoccupied.

A second major Dutch military offensive aimed at destroying the nationalists was launched in December 1948. Despite recapturing the major cities of Java, including the nationalist capital of Yogyakarta, and all of Sumatra, except Aceh in the far north, it triggered significant pressure from the U.S. and the UN in the form of several Security Council Resolutions.

When the U.S. threatened to terminate the much-needed financial aid for the Netherlands under the Marshall Plan, the Dutch had little choice but to agree to the transfer of sovereignty to Indonesia.



The Dutch–Indonesian Round Table Conference took place in The Hague, and a significant part of the negotiations concerned the payment for Dutch East Indies debts. Indonesia ended up agreeing to pay the equivalent of four billion British pounds as the cost of independence, half of which was the cost of the Dutch military campaign conducted against them between 1947 and 1949.

The Dutch agreed to hand over sovereignty of the Dutch East Indies in December 1949. The colony that had taken the Dutch 340 years to build was gone in seven short years. But arguing that it was a different ethnic region, the Dutch did hold onto Western New Guinea, which became a Dutch overseas territory.

The British, the Americans and Australia all contributed to the independence process. The Dutch fought, bargained and negotiated to the finish, but after 361 years, their colonial presence in South-East Asia came to an end.



Ironically, the Japanese Empire was defeated, but their objective and mantra, 'Asia for Asians', was effectively realised over the next few decades through the process of decolonisation.

And since 1949, Australia has had a new Asian neighbour to its north that has presented its own set of challenges and opportunities.