
RENEGOTIATING THE POSTCOLONIAL WORKPLACE: INDONESIAN DOCKWORKERS IN 1950

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On December 27, 1949, the Netherlands finally transferred sovereignty to Indonesia, after nearly four years of trying to reimpose Dutch rule by force. In 1950, as Indonesian political, bureaucratic, and military leaders sought to establish the authority of the new state, there was a surge of industrial unrest, with workers demanding a renegotiation of the postcolonial workplace. European managers, foreign observers, and the Dutch-language press, as well as parts of the Indonesian press, blamed the unrest in the cities, the oil fields, the harbors, and the plantations on agitation by communist-led unions under the control of Sobsi (Sentral Organisasi Buruh Seluruh Indonesia, All Indonesia Federation of Labor Unions), the labor-union federation closely aligned with the Indonesian Communist Party (Partai Komunis Indonesia, PKI) that was slowly rebuilding after its involvement in the 1948 Madiun uprising.¹ Labor unions were accused of being led by irresponsible and ideologically motivated people more intent on advancing a political agenda than on improving the welfare of workers. Few of those outside the unions were able to see the underlying social and economic conditions that provided fertile ground for union recruitment and drove workers to industrial action.

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¹ On the Madiun uprising, see Ann Swift, *The Road to Madiun: The Indonesian Communist Uprising of 1948* (Ithaca: Cornell Modern Indonesia Project, 1989); and George McT. Kahin, *Nationalism and Revolution in Indonesia* (Ithaca: Cornell University Press, 1952), 256–304.

Most of the historiography of Indonesian labor unions in the 1950s has focused on the politics of these unions in a context of intensifying competition between communists and anticommunists.² Labor unions have been described as subordinate to political parties trying to build mass support in anticipation of the country's inaugural elections. Rarely have they been discussed as industrial organizations whose activities both reflected and shaped the relationship between capital and labor.³ Most of the industrial conflicts of the 1950s have been described as directed by Sobsi, or by unions conforming to the Sobsi/PKI political agenda, thereby implying that disputes were instigated by union leaders rather than emerging from workers' seizing the moment to demand that their long-standing grievances be addressed.

This is not surprising, since the central leaders of Sobsi and its affiliated unions publicly used the language of Marxism-Leninism and adhered to the political line of the PKI. They railed against US imperialism, opposed Western capitalism, praised the Soviet Union and China, supported the World Federation of Trade Unions, and attacked Western aggression in Korea. Along with union leaders across the political spectrum they also rejected the continued dominance of the Indonesian economy by Dutch companies and urged the government to nationalize key industries.

This political discourse was an important part of union activities, but does not explain the enormous growth of unions in 1950, "... like mushrooms rising from the ground" in the words of one European manager.⁴ In June 1950, the managing director of the Drydock Company at Tanjung Priok asked a number of his Indonesian workers why they had stopped work. "Sir, I am hungry," replied one man, "and my child has nothing to eat."⁵ Such despair was widespread. The cost-of-living index for a municipal worker in Jakarta with a wife and two children increased nearly 1,400 percent between 1938 and 1950.⁶ Wages lagged well behind inflation. With the shackles of colonialism removed, workers were no longer prepared to accept colonial era wages and conditions that bought less and less each day. They demanded wage

² The standard works include: Everett D. Hawkins, "Labor in Transition," in *Indonesia*, ed. Ruth T. McVey (New Haven: Yale University Press, 1963); Donald Hindley, *The Communist Party of Indonesia 1951–1963* (Berkeley and Los Angeles: University of California Press, 1966); and George McT. Kahin, "Indonesian Politics and Nationalism," in *Asian Nationalism and the West*, ed. William L. Holland (New York: Octagon Books, 1953 [1973]). Recent writing by a new generation of Indonesian scholars has begun to shift the focus toward the long-term working and living conditions of workers. See: *Dekolonisasi—Buruh Kota dan Pembentukan Bangsa*, ed. Erwiza Erman and Ratna Saptari (Jakarta: Yayasan Obor Indonesia, 2013), especially chapters by Agustinus Supriyono, A. Rasyid Asba, and Razif; Agustinus Supriyono, "Buruh Pelabuhan Semarang—Pemogokan-pemogokan pada zaman kolonial Belanda, revolusi dan republik 1900–1965" (PhD dissertation, Vrije Universiteit, 2008); and Jafar Suryomenggolo, *Organising under the Revolution—Unions and the State in Java, 1945–48* (Singapore: NUS Press, 2013). See also: Jan Elliott, "Bersatoe Kita Berdiri Bertjerai Kita Djatoeh" [United we stand, divided we fall]—Workers and Unions in Indonesia: Jakarta 1945–1965" (PhD dissertation, University of New South Wales, 1997); and Jafar Suryomenggolo, *Politik Perburuhan era Demokrasi Liberal 1950an* (Jakarta: Marjin Kiri, 2015).

³ An important exception is Stoler's study of plantation workers on the east coast of Sumatra. Ann Laura Stoler, *Capitalism and Confrontation in Sumatra's Plantation Belt, 1870–1979* (Ann Arbor: Michigan University Press, 1995).

⁴ Comment by a member of the executive of the Employers' Association of Indonesia, January 5, 1950, in Ondernemersraad voor Indonesie te 's-Gravenhage, (1920) 1921–1958, Inv. no. 167, Netherlands National Archives.

⁵ Managing Director to D. Croll, June 12, 1950, in Droogdokmaatschappij Tandjong Priok Archive, Inv. no. 17, Netherlands National Archives.

⁶ *Statistical Pocketbook of Indonesia 1958* (Jakarta: Biro Pusat Statistik, 1958), 232.

justice. “Eliminate the terror of prices,” stated a banner at the 1950 May Day rally in central Jakarta.⁷ Workers flocked to labor unions that promised to renegotiate the workplace. Industrial action became a daily occurrence.⁸

The labor relations in the Indonesian harbors in 1950 offer a case study in worker activism as well as post-independence politics. It was a year in which workers, unions, employers, and government officials struggled to create a new framework for industrial relations. The focus of this essay is on conflicts in the Java harbors of Jakarta, Semarang, and Surabaya, and in the harbor of Belawan on the east coast of Sumatra. Some of the conflicts began with spontaneous actions by workers themselves. Others were organized union campaigns. Focusing on the workplaces enables a deeper understanding of workers’ agency during industrial action. Sit-down stoppages, walkouts, go-slows, overtime bans, and full-scale strikes enabled dockworkers to challenge the colonial mentality of those who managed the maritime and stevedoring industries, forcing them to renegotiate the terms and conditions of the workplace.⁹

The Context

Taufik Abdullah has argued that the recognition of sovereignty gave the Indonesian people “... some kind of dignity and self-confidence.”¹⁰ Hopes were high that independence would usher in a new era of justice and prosperity for all. But it was impossible for the new state to meet these heightened expectations, given the enormous political, social, and economic problems it faced. The government saw its immediate tasks as imposing its authority and rebuilding administrative structures. The military had to be reconfigured from a guerrilla force into a standing army, the Darul Islam uprising in West Java had to be suppressed, and roaming gangs in the countryside and the cities had to be brought under control. Hundreds of thousands of people returned to the coastal cities after having fled the fighting, resulting in a shortage of housing and high levels of unemployment. Three years of Japanese occupation and four years of fighting had left much of the country’s infrastructure—

⁷ *Pedoman*, May 2, 1950.

⁸ In a perceptive note written in August 1950, the British ambassador to Indonesia, while accusing Sobsi and its affiliated unions of “intimidation of workers, blackmail of employers, political agitation, and intrigue ...,” at the same time acknowledged that negotiations with employers were almost always futile and that strikes were effective: “The employers accuse the union both of intimidation and of having ordered the strike while discussions were still going on, but, if the employer will yield only to force, how else are the conditions of the Indonesian workers to be improved?” Kermode to Bevan, Jakarta, August 29, 1950, in FO 371/83794, British National Archives.

⁹ The life of Indonesian dockworkers had much in common with that of dockworkers in Western countries. Militancy was especially strong in the two decades after the end of the second world war, with major strikes in the harbors of Europe, the United States, Australia, southern Africa, and Latin America. Before the introduction of mechanization, and especially containerization, work on the docks involved hard physical labor, irregular and indirect employment, and low wages. But dockworkers had a strong sense of community, partly because of their shared work experiences and partly because they lived close together in poor neighborhoods adjacent to the harbors. In Western countries they were one of the most strongly unionized workforces. See, for example: Colin J. Davis, *Waterfront Revolts—New York and London Dockworkers 1946–1961* (Urbana: University of Illinois Press, 2003); and Frederick Cooper, *On the African Waterfront—Urban Disorder and the Transformation of Work in Colonial Mombasa* (New Haven: Yale University Press, 1987).

¹⁰ Taufik Abdullah, *Indonesia—Towards Democracy* (Singapore: ISEAS, 2009), 200.

such as roads, railway lines, and bridges—in a state of disrepair. The plantations, sugar mills, and oil fields that generated the country’s foreign exchange needed urgent rehabilitation. To add to the problems, the Netherlands insisted that Indonesia return confiscated Dutch property, protect the assets of Dutch companies, and assume responsibility for the massive debt accumulated by the Netherlands’ failed efforts to recolonize.¹¹

The political context in 1950 was further complicated by the nature of the political settlement leading to independence. The Netherlands had surrendered sovereignty to a federal structure, the Republik Indonesia Serikat (RIS, Republic of the United States of Indonesia), with a provisional constitution and a bicameral parliamentary system. The Dewan Perwakilan Rakyat (DPR, People’s Representative Council) was composed of appointed members representing a wide range of political parties and functional groups. The Senate comprised two members from each of the seven states and nine territories in the RIS. The major political issue in the first half of 1950 was the abolition of a Netherlands-imposed federal structure. It was not until August 17, 1950, the fifth anniversary of the proclamation of independence by Sukarno and Hatta, that the RIS was dissolved and replaced by a unitary state, the Republic of Indonesia.

While Indonesia was politically independent, its economy remained dominated by foreign-owned, largely Dutch, companies managed by Europeans. Colonial mindsets did not change overnight. Most European managers were slow to acknowledge that a race-based political economy enforced by the coercive power of the state in the interests of foreign capital had come to an end. Race-based wage regulations paid European employees much more than Indonesians earned and also provided Europeans with superior accommodations and food, higher cost-of-living allowances, longer paid holidays, and better pensions. When annual bonuses were paid, Europeans received much higher percentages than did Indonesians.¹² European managers found it hard to shake off a persistent belief in the passivity of Indonesian workers who, supposedly, had few material needs or desires.¹³ The dominant shipping

¹¹ There is an extensive literature on the four years of fighting between the Netherlands and the Republic of Indonesia. See, in particular: Taufik Abdullah, *Indonesia—Towards Democracy*, 89–182; and George McT. Kahin’s classic work, *Nationalism and Revolution in Indonesia*. On the decolonization process, see: J. Thomas Lindblad, *Bridges to New Business—The Economic Decolonization of Indonesia* (Leiden: KITLV Press, 2008); and *The Economy of Indonesia: Selected Writings*, ed. Bruce Glassburner (Ithaca: Cornell University Press, 1971). The authoritative work on the 1950s is Herbert Feith, *The Decline of Constitutional Democracy in Indonesia* (Ithaca: Cornell University Press, 1962).

¹² In 1948, the Republic of Indonesia revised the colonial wage regulations for public sector employees by ending race-based rates and establishing a maximum wage of 16.33 times the minimum wage. Many private companies retained race-based rates and bonuses into the mid-1950s. This resulted in industrial disputes. For example, in August 1952 workers at shipping and stevedoring companies in Semarang harbor went on strike because the companies refused to pay the same percentage annual bonus to all workers. The percentage paid to Europeans was three times that paid to Indonesians. “Laporan Mingguan bulan September Mengenai Pemogokan², tuntutan², perselisahan², dan penjataan² dari Serikat² Buruh di Indonesia, 25–30 Aug 1952,” Jakarta, September 3, 1952, in *Arsip Sekretariat Negara, Kabinet Perdana Menteri Tahun 1950–1959*, Jilid 2, Inv. no. 3062, *Arsip Nasional Republik Indonesia*.

¹³ In June 1950, George Holt, a partner in the Alfred Holt and Company (operating as the Blue Funnel Line), visited Jakarta and commented that “... there is a good deal of anxiety and depression born of the disgust of the older hands at the loss of their privileged position in respect of the nation ...” George Holt, Report from Jakarta, June 1950, in FO 371/83686, *British National Archives*. In contrast, in January 1950 the editor of a Semarang-based Dutch-language newspaper stated that one did not need to be a prophet in

company, KPM (Koninklijke Paketvaart Maatschappij), was typical. In February 1951 it dismissed Indonesian union demands for an end to race discrimination simply by asserting that Europeans had different needs relative to Indonesians' needs. To the union, this was proof of a determination to maintain colonial structures where Europeans were *tuan besar* (the master).¹⁴

The Harbors

Five major harbors dominated Indonesia's import-export trade since the late nineteenth century: Jakarta (Tanjung Priok), Semarang and Surabaya (Tanjung Perak) in Java, Belawan on the east coast of Sumatra, and Makasar in Sulawesi. The Surabaya and Jakarta harbors each employed over eighteen thousand people in the early 1950s. A small number of Indonesian workers were classified as "staff." These were middle level supervisors and professionals who enjoyed wages and entitlements higher than that of most of the Indonesian workforce, but significantly lower than those of European employees. Only about one-third of Indonesian workers were employed on a permanent basis, which entitled them to family allowances in addition to their basic wage, paid annual leave, and pensions. The other two-thirds were day-wage workers or casual laborers employed by contractors. They received no entitlements to augment their wages.¹⁵

Over seventy stevedore, warehouse, and dry dock companies operated in these and smaller harbors. The major shipping companies were vertically integrated, with agents managing operations in the ports. Alongside these large companies were specialist companies that owned warehouses, provided lightage and stevedoring services, or operated the dry dock facilities in Jakarta and Surabaya. Most were Dutch-owned, but some were owned by British interests and a few by Chinese Indonesians. KPM, the largest shipping line operating in Indonesian waters, dominated the intra-archipelago trade. Continued European ownership and management of stevedoring companies, maritime services, and shipping lines was a source of friction for both unions and the Indonesian government.

Most shipping and maritime service companies were members of the Shipping Employers' Association, a vocal lobby group whose purpose was protecting the interests of companies and managers who found it hard to throw off colonial mentalities. In the early 1950s it particularly focused on urging the government, port authorities, police, and army commanders to stamp out widespread looting in the harbors and control worker unrest. It was an industrial body that advised member

1949 to anticipate labor unrest in 1950: "Sovereignty has been transferred, freedom has been achieved, and the masses expect that this freedom will bring improvements in their material circumstances." *De Locomotief*, January 25, 1950.

¹⁴ Comment by the chairman of Serikat Pelajar Seluruh Indonesia (SPSI, All Indonesian Union of Seamen), J. R. Jans, reported in *Indonesia Raya*, May 8, 1951, in *Situasi Perburuhan*, May 1951, 19–20.

¹⁵ It was common for workers in the stevedoring and shipping industries to have worked with only one employer for many years but still be employed as a day-wage laborer. Unions regarded KPM as a persistent offender. See, for example, Chairman GSB (Gabungan Buruh Pelabuhan, Federation of Dockworkers) to KPM Agent Semarang, October 6, 1951, in *Arsib Sekretariat Negara, Kabinet Perdana Menteri Tahun 1950–1959*, Jilid 2, Inv. no. 1179, *Arsib Nasional Republic Indonesia*.

companies on the impact of changes to industrial laws and on companies' responses to labor union demands. It also coordinated negotiations on collective agreements.

In November 1948 there was a major investigation into working conditions in the harbors by the Labor Inspectorate, a unit of the labor office established by the colonial government in 1921. Its report described conditions that had changed little since the 1920s.¹⁶ Seventy-one companies in the major harbors were investigated, with the focus on day-wage and casual laborers who loaded and unloaded goods from ships and warehouses. They worked for a few months in the harbors before returning home and being replaced by others from the same region. Most were circular migrants who moved between the harbors and their villages, working for a few months at a time on the docks. The Dutch shipping group of KPM, Rotterdam Lloyd, and the Netherlands Shipping Company owned large housing complexes in Jakarta, Surabaya, and Belawan (known as Unie Kampung), in order to maintain a small permanent workforce under close supervision.¹⁷ In late 1948 the Unie Kampung at Tanjung Priok was home to about 4,800 dockworkers and their families, or around one-quarter of the average daily labor force.

Casual laborers were not employed directly by companies; rather, they were recruited and managed by foremen and labor contractors who had well established links with their home villages. The demand for labor varied greatly from day to day, depending on the number of ships in the harbor. Clerks informed foremen each day of labor requirements for the following day and paid them according to the number of workers in their gangs. Foremen were responsible for the allocation of tasks to individual workers and for deciding how much each got paid.

This system suited both employers and those who recruited and controlled the labor forces. Employers did not have to worry about recruiting workers. They could employ as many or as few as they liked and avoid the social wage costs of permanent workers living in the Unie Kampung. Foremen took a cut from laborers' wages—the 1948 inquiry put their commission at between 10 and 30 percent—as well as commissions for providing other services, such as lodgings in boarding houses. Contractors took a further cut.¹⁸ Although employment of underage workers was illegal, over two days at Tanjung Priok the Labor Inspectorate counted 1,472 individuals who were younger than fourteen years of age working in the harbor.

The Labor Inspectorate survey uncovered not just the low wages of dockworkers, but also the difficult conditions in which they worked. The work was heavy and the

¹⁶ An extensive summary of this report was published in a number of the Dutch-language newspapers in Indonesia. See, for example, *De Vrije Pers*, January 18 and 20, 1950.

¹⁷ On the Tanjung Priok (Jakarta) Unie Kampung and the emergence of unions in the harbor, see Razif, "Buruh Pelabuhan Tanjung Priok"; and on the Semarang Unie Kampung, see Supriyono, "Dekolonisasi dan Pemogokan Buruh di Pelabuhan Semarang: Kesenambungan dan Transformasi," in *Dekolonisasi—Buruh kota dan pembentukan bangsa*, 55–91 and 209–56.

¹⁸ For example, at the Harrisons and Crosfield company in Belawan harbor, day-wage laborers earned four guilders per day in early 1950. Deductions totaled half a guilder per day: twenty cents was deducted by foremen and another thirty cents by labor contractors. Laborers at another company in the same harbor were even worse off, with foremen taking twenty cents and labor contractors eighty cents from their daily wage of four guilders. See *Waspada*, January 14, 1950. (In 1950 the official exchange rate was about 1.72 guilders to the US dollar; see <https://fred.stlouisfed.org/series/FXRATENLA618NUPN>, accessed September 26, 2106; and Rp 3.80 per US\$1.)

work hours were long. A lack of drinking and washing water in the Tanjung Priok precinct forced low paid workers to buy water from water-sellers. There was also a shortage of toilets and inadequate canteen facilities, with workers frequently complaining about the poor quality of food. In the absence of paid sick leave or a social security net, workers who felt ill were reluctant to attend free company-owned harbor polyclinics for fear of being declared unfit for work. They preferred to struggle on the job while sick rather than lose the only work they could get.

The report, published just before the end of colonial rule, had twelve recommendations that, if implemented, would have revolutionized working conditions in the harbors. After independence the stevedoring and maritime industries did slowly implement some of the changes, but it took pressure from labor unions to force the pace of change. The recommendations included: improve housing; establish a minimum wage and improve in-kind allowances; regulate the maximum hours of work, rest days, and overtime payments; enforce the legal minimum age for workers and protect female laborers, for example, from being required to work at night and doing heavy lifting; improve access to and availability of drinking water, washing facilities, and toilets; establish compulsory medical checks and provide medical care for sick workers; create an organized consultative system with workers; and require private companies to pay the same wages as government instrumentalities in the harbors. Two other recommendations were designed to reduce the power of foremen: create a labor recruitment bureau in the harbor for casual laborers and pay wages directly to individual workers.

Labor Unions

The Indonesian labor movement has a history stretching back to 1908, when the first union for railway workers was formed. This eventually became the Vereeniging voor Spoor- en Tramweg Personeel in Nederlandsche-Indie (VSTP, Union of Railway and Tramway Workers in the Netherlands Indies), remembered most for organizing the 1923 railway strike. From the late 1910s through to the mid 1920s, unions expanded rapidly, enrolling workers in both the public and the private sectors. Most were urban unions, with the notable exception of the sugar factory workers' union, PFB (Personeel Fabrieksbond, Union of Factory Personnel), which between 1918 and 1921 led strikes by tens of thousands of workers in the Java plantations and mills.¹⁹ After the PKI uprisings in late 1926 and early 1927, repressive laws and vigilant policing made it extremely difficult to develop unions for workers in the private sector. The labor movement in the late 1920s and the 1930s was largely confined to public sector workers. On the eve of the Japanese occupation, over 110,000 workers were members of unions, but only 19,000 worked in the private sector. Of necessity, unions had to work within the confines of a repressive state. Direct confrontation of employers was no longer possible. Nevertheless, the ongoing struggles of workers and

¹⁹ See John Ingleson, *In Search of Justice: Workers and Unions in Colonial Java, 1908–1926* (Singapore: Oxford University Press, 1986), 155–209.

unions were incorporated into the narratives of post-independence unions and helped shape their agendas.²⁰

During the four years in which the reinvading colonial power fought the young Republic, labor unions operated on both sides of the conflict. Most of the major prewar unions for public sector workers, silenced by the Japanese occupation, were revived. Many new unions were formed, especially for workers in the private sector. However, in both Dutch and Republican areas, the growth and activities of unions were constrained, along with their ability to further industrial agendas. In territory controlled by the Netherlands, the prewar constraints on political and union activity remained in place and Indonesian unions were closely monitored. In Republican territory, unions had the freedom to organize, but political issues took precedence over industrial issues. With the survival of the Republic at stake, unions focused on marshaling workers' support for the struggle.²¹ It was not until December 1949, when the Netherlands finally recognized Indonesia as an independent country, that unions were free to reach deep into the Indonesian workforce and focus on industrial agendas.

Dockworkers had gone on strike in the Java harbors of Ceribon, Semarang, and Surabaya in the 1910s and early 1920s, successfully forcing concessions from employers. The unions that emerged in the major harbors in the late 1910s were small and ineffective. In late-1924, on the initiative of PKI leaders, most were dissolved into the Sarekat Pegawai Pelabuhan dan Lautan (SPPL, Union of Dockworkers and Sailors), which over the next two years tried to build a strong Indonesia-wide union. While employers blamed the SPPL for the strike in Surabaya's harbor in 1925, the initiative came from workers themselves, with union leaders hastening to manage the actions.²² After the destruction of PKI and the unions connected to it, there were no major unions for Indonesian dockworkers in Jakarta until late 1939, with the creation of Persatuan Sekerja Paketvaart Bumiputera (Association for Native Shipping Workers) for KPM workers and Sarekat Pelajar Bumiputra (Union of Native Sailors) for non-KPM workers. The brief life of those two unions ended with the Japanese occupation in March 1942.²³

Unions for dockworkers emerged again after the declaration of independence in August 1945, and over the next four years operated under constrained conditions in the Dutch-controlled ports. At the beginning of 1950 there were two large unions aspiring to national coverage. Serikat Buruh Kapal dan Pelabuhan (SBKP, Union of Ship and Dockworkers) had been formed in Jakarta in April 1948 as an amalgamation of several small Jakarta unions. In March 1950 it joined Sobsi, which was slowly rebuilding its organization after the Madiun revolt had seen many of its leaders killed

²⁰ I have discussed the last two decades of the colonial labor movement in John Ingleson, *Workers, Unions and Politics: Indonesia in the 1920s and 1930s* (Leiden: Brill, 2014).

²¹ See: Jafar Suryomenggolo, *Organising under the Revolution—Unions and the State in Java, 1945–1948*, (Singapore: NUS Press, 2013); Colin Brown, "The Politics of Trade Union Formation in the Java Sugar Industry, 1945–1949," *Modern Asian Studies* 1 (1994): 82–84; and Benedict R. O'G. Anderson, *Java in a Time of Revolution* (Ithaca: Cornell University Press, 1972).

²² See: Ingleson, *In Search of Justice*, 106, 289–93; and John Ingleson, "Life and Work in Colonial Cities: Harbour Workers in Java in the 1910s and 1920s," *Modern Asian Studies* 17, 3 (1983): 455–76.

²³ Ingleson, *Workers, Unions, and Politics*, 307.

or jailed.²⁴ The bulk of SBKP members were in Jakarta and Belawan. The second union with national aspirations was the Serikat Buruh Lautan dan Pelajan (SBLP, Union of Dockworkers and Seamen). Formed in Cirebon in 1946, its leadership moved to Yogyakarta when Cirebon was reoccupied by the Dutch. In 1950 its headquarters was again moved, this time to Surabaya where most of its members were located. In April 1950 it also joined Sobsi.²⁵

There were two other large regional unions. In Semarang, the dominant union in the harbor was Gabungan Buruh Pelabuhan (GBP, Federation of Dockworkers), formed in 1947.²⁶ In 1951 it joined Sobri (Sentral Organisasi Buruh Republik Indonesia, Indonesian Federation of Labor Unions), the labor union federation created by the national communist Partai Murba (Proletarian Party) as a competitor to the PKI-controlled Sobsi.²⁷ In Makassar harbor, the dominant union was the Organisasi Buruh Proletar Indonesia (Organization of Indonesian Proletarian Workers). It was the largest member of the independent Makassar labor union federation, Badan Perjuangan Buruh (Body for the Workers' Struggle).

Other significant unions included Serikat Pelajar Seluruh Indonesia (SPSI, All Indonesian Union of Seamen), a Jakarta-based union for sailors, particularly those employed by KPM.²⁸ Two other unions were exclusively for KPM workers: the Serikat Buruh KPM (SBKPM, Union of KPM Workers) and the Serikat Buruh Teknik dan Pelabuhan (SBTP, Union of Technical and Harbor Workers). The SBKPM was a continuation of the prewar Paketvaartbond (Association of Shipping Workers). It represented administrative workers and the majority of land-based KPM workers. The SBTP was predominantly composed of low-level technical workers from KPM workplaces and the harbors. In Surabaya, there were two unions for civilian workers employed at the Surabaya naval base (the Serikat Buruh Pelabuhan, Harbor Workers Union; and the Serikat Buruh Perusahaan Angkatan Laut, Union of Navy Industry Workers).²⁹

Branch leadership of dockworkers' unions was in the hands of foremen, clerks, and tradesmen. Ironically, although Unie Kampung (industry housing) had been established in the late 1910s in part to maintain control over dockworkers, in the 1950s they were important recruiting grounds for labor unions. While management prevented unions from establishing branches inside the Unie Kampung, branch

²⁴ On Sobsi, see Hindley, *The Communist Party of Indonesia*, 132–59. On the Madiun Affair, see Ann Swift, *The Road to Madiun: The Indonesian Communist Uprising of 1948* (Ithaca: Cornell Modern Indonesia Project, 1989); and Harry A. Poeze, *Verguisd en Vergeten—Tan Malaka, de linkse beweging en de Indonesische Revolutie, 1945–1949* (Leiden: KITLV Press, 2007), 1079–92.

²⁵ The formation of the unions for sailors and dockworkers was the subject of a briefing paper produced by the central research department of Jakarta's attorney general's office in November 1951. See "Perkembangan gerakan buruh kapal, laut dan pelabuhan," Secret Note, Central Research Department, Attorney General Office, enclosed in Attorney-General to Prime Minister, November 5, 1951, Arsip Sekretariat Negara, Kabinet Perdana Menteri Tahun 1950–1959, Jilid 2, Inv. no. 1741, Arsip Nasional Republik Indonesia.

²⁶ Ibid.

²⁷ For a discussion of labor unions in Semarang harbor in the colonial and postcolonial period, see Supriyono, "Dekolonisasi dan Pemogokan Buruh di Pelabuhan Semarang," 55–90.

²⁸ Elliott, "Bersatue Kita Berdiri Bertjerai Kita Djatoeh," 105.

²⁹ See: Ibid.; "Perkembangan gerakan buruh kapal, laut dan pelabuhan"; and Note KPM, February 5, 1954, in KPM/KJPL Archives, Inv. no. 619.1, Netherlands National Archives.

leaders developed strong relationships with Unie Kampung foremen. The patronage links of these foremen were invaluable for propagating union messages and ensuring solidarity during industrial action.³⁰

The decisions of the SBKP and SBLP to affiliate with Sobsi and of the GBP to affiliate with Sobri increased employers' distrust of them. In the 1920s and 1930s, employers had regularly argued that labor union activists were either communists or under communist influence.³¹ As the Cold War deepened after the outbreak of the Korean War in June 1950, European companies were convinced that worker unrest was instigated by the PKI and Sobsi, under instructions from the Moscow-controlled World Federation of Trade Unions. As Sobsi rebuilt its organization, it did have an increasingly important ideological and coordinating role. However, while championing the workers' cause and being vehemently critical of foreign companies, it was rarely the instigator of industrial disputes. It was common to blame labor unions, and particularly the communist-led Sobsi labor union federation, for stirring up unrest, but the underlying issues were wages and conditions that had little changed since the colonial era. Low paid dockworkers were hit hard by inflation and, having achieved *merdeka* (freedom), were determined to do something about it.

Industrial conflict in the harbors resulted from employers' reluctance to respond to workers' demands. Employers compounded this by failing to recognize unions formally as representatives of workers and then by dragging their feet on negotiating collective agreements. Worker unrest was sharpened by wide discrepancies in the wages paid by stevedoring and shipping companies in the same harbor. In the Jakarta harbor of Tanjung Priok, for example, wages in 1950 for a workday of between eight and twelve hours for permanent workers ranged from Rp. 2.35 to Rp. 4.50, and for casual workers, from Rp. 2.35 to Rp. 2.65.³² Overtime was sometimes paid and sometimes not. Some companies provided a free midday meal, others did not. Extra money for the end of the Ramadan fasting month (Lebaran) varied from company to company. Dockworkers lived and worked in close communities. They could do nothing about these arbitrary variations in wages and conditions in the colonial era, but with independence they seized the opportunity to use their new-found collective power to demand changes.

The Belawan Harbor Strike

On December 29, 1949, five hundred permanent workers and an equal number of casual day-wage workers at three small stevedoring companies in the east coast of Sumatra's Belawan harbor went on strike. This spontaneous walkout occurred just two days after the formal transfer of sovereignty. The harbor had been under Dutch control during the fight for independence, but most workers would have sided emotionally with the Republic. When European authority collapsed, workers' fears of the coercive power of the state went with it. Emboldened by the end of colonial rule, workers were determined to confront foreign-owned companies. Their demands

³⁰ The importance of support from foremen is discussed in Razif, "Buruh Pelabuhan Tanjung Priok," 209–56. See also Agustinus Supriyono, "Buruh Pelabuhan Semarang."

³¹ See Ingleson, *Workers, Unions, and Politics*.

³² *Java Bode*, April 4, 1950.

included these three conditions: paying permanent workers overtime for Sundays and national holidays and, if *required* to work, paying workers double time; all workers to be paid Rp. 1 per hour extra for overtime; and the in-kind component of wages (rice, salt, and cooking oil) provided free rather than at a subsidized price.³³ What started as a spontaneous action by a small section of the Belawan workforce with modest demands ended three weeks later in a comprehensive settlement and the first collective agreement in postcolonial Indonesia.

Belawan was the major port near Medan on the east coast of Sumatra, from which the foreign-owned plantations—mainly rubber, tobacco, and tea—exported their products and through which came imported rice, textiles, and other essential commodities for plantation workers and urban areas up and down the coast. About half of the Belawan labor force comprised permanent day-wage workers who lived in the Belawan Unie Kampung. The other half was a reserve labor force of casual workers for the shipping companies, forwarding agents, and warehouses. They lived in poor areas around the port, supplementing irregular work in the harbor with work elsewhere in Medan or in nearby villages.

The SBKP was the sole union recruiting in Belawan harbor. The walkout took SBKP branch leaders and leaders of Pusat Serikat2 Buruh Indonesia (Pusbindo, Indonesian Labor Union Federation) by surprise.³⁴ They hurried to take control by finding out what workers wanted, structuring their demands, and then entering into negotiations with the Belawan branch of the Shipping Employers' Association. Like all Indonesian dockworkers, those at Belawan were badly paid. They received just Rp. 2 a day, together with subsidized rice, salt, and palm oil, for a forty-eight hour, six-day work week. The unions demanded Rp. 5 a day plus a free package of food, textiles, and other goods. The Shipping Employers' Association's quick response was a tacit acknowledgement that wages were grossly inadequate. Association leaders also realized that theirs was a much-weakened position in the postcolonial era, and that a prolonged strike would be costly. The Association offered to double wages to Rp. 4 a day plus twenty-five cents for each ton of cement or fertilizer loaded and unloaded, and fifteen cents for each ton of other goods. It also offered to provide food at government distribution prices, which were significantly below market prices, and to introduce paid sick leave.³⁵

Convinced that a doubling of wages and a greatly improved in-kind package was a significant achievement, union leaders called a meeting of strikers to recommend that they accept the offer and return to work. To their surprise, the workers refused. They were in no mood to compromise, believing that they had the upper hand. Harbor activity came to a complete halt on January 8, when two thousand workers from the Unie Kampung joined the strike. For ten days they had continued to load and unload ships but, in solidarity with strikers, had refused to move goods from the warehouses

³³ *Waspada*, January 6, 1950.

³⁴ Pusbindo was later transformed into the east coast (Sumatra) branch of Sobsi.

³⁵ See: *PI-Aneta*, January 5, 1950; *Java Bode*, January 3 and 4, 1950; and *Het Nieuwsblad voor Sumatra*, January 7, 1950.

for transportation out of the harbor.³⁶ As a result, hundreds of empty railway wagons were lined up between the street and the warehouses.

The unions may have called on workers from the Unie Kampung to strike, to increase the pressure on the Shipping Employers' Association. The day before, posters had been widely circulated in the harbor precinct and in the Unie Kampung calling on all dockworkers to show solidarity. That morning, Pusbindo had also placed an advertisement in the local newspaper calling on all workers on the east coast of Sumatra to show solidarity with the striking dockworkers and urging them not to be strike-breakers.³⁷ But Unie Kampung workers may have made their own decision to join the action, independent of the unions' appeal. One newspaper reported that Unie Kampung workers were walking in groups to the harbor, as usual, when they were met halfway by a large group of strikers. They stopped to talk and then turned around and returned to the Unie Kampung.³⁸ These workers were also badly paid, and had much to gain should the strike succeed.

The strike lasted three weeks, with plantations rallying behind the shipping companies and labor unions rallying behind the dockworkers.³⁹ Unions in both Sumatra and Java provided material support and the SBKP collected donations from members in the Java harbors. By the end of the second week, the SBKP was reported to have collected Rp. 3,600 in cash, a ton of rice, 60 kilograms of fish, and 322 kilograms of sweet potato for distribution to strikers.⁴⁰ While these donations, when divided among all the strikers, provided only a little help to each individual, the unions' ability to collect donations and quickly get them to Belawan was an early warning to employers that times had changed. Workers' ability to stay on strike was also assisted by a labor shortage that enabled them to get casual work in the nearby city of Medan or in surrounding villages.

The immediate impact of the strike was a rice shortage on the east coast of Sumatra, causing its market price to soar. Fearful that this would lead to widespread unrest, in the second week of the strike police and military forces escorted one hundred strike-breaking laborers from the Deli Society plantation to Belawan to release rice from overflowing warehouses.⁴¹ In the third week, after Unie Kampung workers had joined the strike, the military police escorted seven hundred plantation laborers to Belawan to unload rice from ships and move it from the warehouses to railway wagons and trucks. Striking workers made no attempt to hinder these strike-breaking laborers, despite fears to the contrary, which probably indicated workers' confidence that in the new political environment employers would sooner or later

³⁶ See: *Waspada*, January 9, 1950; *Java Bode*, January 6, 1950; and *Het Nieuwsblad voor Sumatra*, January 5, 1950.

³⁷ *Kedaulatan Rakjat*, January 12, 1950. The advertisement was in *Warta Berita* and reported in *Het Nieuwsblad voor Sumatra*, January 9, 1950.

³⁸ *Het Nieuwsblad voor Sumatra*, January 9, 1950.

³⁹ The British Consul in Medan argued that with employers rallying around the shipping companies and unions rallying around the dockworkers, "... the original dispute is being lost sight of, and the dockers' strike now appears all set for a trial of strength between European capital's interests and organized labor." British Consulate, Medan, Weekly Summary No. 2 (confidential), 14 January 1950, in FO 371/83683, British National Archives.

⁴⁰ *Waspada*, January 17, 1950.

⁴¹ See: *Waspada*, January 6, 1950; and *De Locomotief*, January 10, 1950.

have to concede their demands. They were probably also influenced by assurances from army commanders that they had no intention of breaking the strike, despite demands from the Shipping Employers' Association to do so. Having fought a guerrilla war against the Dutch for four years, military commanders' instinctive sympathies were for workers rather than Dutch companies. Military intervention was limited to ensuring that enough rice flowed into the markets to keep a lid on prices. There was no attempt to load export commodities or move other goods out of the warehouses.

Resolution of the strike was complicated by the nature of the federal political structure. The State of East Sumatra (Negara Sumatera Timur, NST), with its capital in Medan, had a Ministry of Labor as did the RIS. The head office of the Shipping Employers' Association in Jakarta urged the RIS government to intervene, but it refused, confining itself to sending a senior official to Belawan to investigate.⁴² Its refusal was in part because of doubts about its jurisdiction and in part a deliberate effort to put pressure on the NST government, which was seen by many as a government of former aristocrats who had sided with the Dutch during the years of fighting. For its part, perhaps determined to show that it was not a tool of foreign capital, the NST government stated that, provided there was no disturbance of peace and order, it would not force workers to return to work.

Ships were diverted from Belawan or departed the harbor still laden, having been unable to unload their cargo. Warehouses were full and the Deli Railway Company that served the docks was almost at a standstill. Shipping companies, forwarding agents, and the railway were losing increasing amounts of money. The plantations were also badly affected, as they were unable to get their products to market. The pressure on the Shipping Employers' Association to resolve the dispute increased as it became clear that workers were determined not to give in. Having failed to persuade the army or governments to force workers back to work, the Shipping Employers' Association had no choice but to make an acceptable offer.

On January 19, 1950, an agreement was finally reached with the SBKP. Employers agreed to a daily wage of Rp. 4.75, plus a premium per ton for goods loaded and unloaded, and a forty-eight-hour week. Workers would be paid an extra ninety cents an hour for overtime, and paid an additional Rp. 4.75 a day if they worked on Sundays and official holidays. There was a provision for sick pay—an important consideration for dockworkers—and free health care for workers and their families. Finally, casual workers would be paid Rp. 1 more than permanent workers, and for the first time have the same hours of work, overtime, and piece-work premiums as permanent workers.⁴³ The Shipping Employers' Association also agreed to pay workers 50 percent of their normal wages together with their normal rice allowances for the days spent on strike.

Chastened by workers' earlier refusal to accept a negotiated settlement, the union sought their approval before signing. Three thousand strikers attended a mass meeting in the Rex cinema at Belawan. There the strikers listened to union leaders explain the settlement terms, and the workers finally agreed to return to work.⁴⁴ This

⁴² *PI-Aneta*, January 14, 1950.

⁴³ *Het Nieuwsblad voor Sumatra*, January 19, 1950.

⁴⁴ *Java Bode*, January 24, 1950.

was a major victory for Belawan dockworkers. The Shipping Employers' Association had been forced to concede almost every demand.

The Impact of the Belawan Strike

At the beginning of January the British Consul in Medan observed that " ... no one was prepared for the widespread strike of stevedores which broke out in Belawan ..."⁴⁵ Nor were they prepared for the outcome. Plantations and other companies that had supported the Shipping Employers' Association feared that the settlement would set a precedent. They were right. The dockworkers' successful challenge to colonial era conditions created a benchmark for other workers on the east coast of Sumatra. Workers in the Deli Railways, whose work brought them into close contact with Belawan dockworkers, were among the first to demand similar improvements to their wages and work conditions. They were followed by Medan workers, who had joined labor unions in large numbers, much to the surprise of observers.⁴⁶ A few months later plantation workers engaged in a series of industrial campaigns that had a serious impact on the Indonesian economy.⁴⁷ Belawan dockworkers had demonstrated the power of organized work stoppages in the newly independent state.

The collective agreement that the Shipping Employers' Association agreed to in Belawan formed the basis of union demands in Jakarta, Semarang, and Surabaya harbors. However, despite management's resounding defeat in Belawan, companies continued to delay improving wages and conditions until confronted by industrial action. The result was a series of strikes in major harbors during the rest of the year. The strategy of the two major unions, the SKBP and SBLP, was to focus their limited organizational and financial resources on one harbor at a time to maximize each action's impact. High on union agendas were being formally recognized as workers' representatives; securing collective agreements; and improving uniformity in wages and conditions among companies. Apart from demanding wage increases to offset inflation, improving workers' allowances, and introducing pensions, unions also wanted to end the companies' practice of not only paying Europeans significantly higher wages than were paid to Indonesians and other non-Europeans, but also of providing Europeans with larger annual bonuses, longer leave entitlements, and higher pensions. For Indonesians who had just won independence, these unfair relics of colonial rule were offensive.

The first major conflict in Java harbors broke out in Semarang in late January when the GBP (Gabungan Buruh Pelabuhan, Federation of Dockworkers) led a strike of casual day-wage workers who made up about half of the six-thousand-strong harbor workforce. A collective agreement quickly agreed to by the local branch of the Shipping Employers' Association was a victory for the union. Wages for casual day-wage laborers were increased by about a third, to Rp. 1.75. In addition, these workers became eligible to receive two free meals a day, overtime rates for working more than forty eight hours a week, and free medical services. Employers also agreed to provide

⁴⁵ British Consulate, Medan, Weekly Summary No. 1 (confidential), 6 January 1950, FO 371/83683, British National Archives.

⁴⁶ *Waspada*, January 18, 1950.

⁴⁷ Stoler, *Capitalism and Confrontation in Sumatra's Plantation Belt*, 125-61.

camps adjacent to the harbor because the shortage of cheap lodgings in the city had forced many day-wage laborers to sleep on the streets or in empty railway wagons.⁴⁸

The collective agreement covered only casual day-wage laborers, however, which immediately triggered a dispute with the other half of the harbor workforce, who were permanent day-wage and monthly paid workers. Buoyed by its earlier success, and wanting to retain the support of permanent workers, the GSB lodged a new set of demands, this time covering the entire workforce. These included an increase in the minimum daily wage to Rp. 9, a six-day and forty-eight-hour work week for permanent workers, and penalty rates for overtime or Sunday work. Negotiations with the Shipping Employers' Association in the last week of February failed, despite mediation from the Semarang Labor Office.⁴⁹ Privately, the association stated that one of the reasons for refusing union demands was that it could not offset higher wages with higher charges without the Indonesian government's approval—and such approval might not be forthcoming. The employers' association also reiterated the long-standing view of European employers that higher wages for Indonesian workers led them to work fewer hours, citing as evidence that since increasing the wages of casual workers a few weeks earlier, those workers had turned up to work less often.⁵⁰

On the morning of March 1, permanent and casual workers entered Semarang harbor as usual at the normal starting time, but instead of breaking into work gangs, they gathered outside the building housing the union secretariat. With a red and white national flag flying from the building, they sang the national anthem and then quietly left the harbor precinct.⁵¹ Industrial disputes against Netherlands-owned companies easily assumed nationalist overtones. The six thousand striking workers brought the harbor to a standstill.

Semarang labor unions had formed an action committee to ensure union solidarity in industrial disputes. It quickly took over management of the harbor strike, changing the demand to be more in keeping with what was becoming the norm for union wage demands in Java: a minimum wage of Rp. 90 a month for those paid monthly and Rp. 3 a day for day-wage laborers, higher rates for overtime and work on Sundays, and equal pay for women. The relatively small Chinese dockworkers union joined the strike in sympathy, as did a number of other unions in the city.⁵² The GSB had built up a strike fund of Rp. 100,000, which enabled it to pay strikers Rp. 1 a day. This daily cash payment, along with a union promise to force companies to pay workers for the days on strike, strengthened workers' resolve. They held out for two weeks, after

⁴⁸ "Verslag over de maand Januari 1950 van de Koninklijke de Nederlanden te Semarang," Ministerie van Buitenlandse Zaken: Nederlands Commissariaat te Semarang (Indonesië), 1950–1957, Inv. no. 144, Netherlands National Archives. See also: Supriyono, "Buruh Pelabuhan Semarang," 244–49; and *Kedaulatan Rakjat*, February 22, 1950.

⁴⁹ The chairman of the GSB, Ritonga, stated that he might be prepared to accept a lesser settlement if employers could prove that they could not afford the union demands. But this, he said, would mean that they would have to open their books to the union. Employers refused. Similar requests by other unions during disputes in the 1950s were also refused.

⁵⁰ These comments were reported in "Verslag over de maand Maart 1950 van de Koninklijke de Nederlanden te Semarang," Nederlands Commissariaat te Semarang, Inv. no. 144, Netherlands National Archives.

⁵¹ *Kedaulatan Rakjat*, March 2, 1950.

⁵² *Kedaulatan Rakjat*, March 6, 1950.

which the Shipping Employers' Association conceded almost all union demands, including paying 50 percent of wages lost during the days on strike.⁵³ Once again, industrial action had been shown to be the most effective way of forcing employers to renegotiate the postcolonial workplace.⁵⁴

A dispute involving permanent workers in the Unie Kampung in Tanjung Priok was one more industrial dispute in the harbors initiated by workers themselves. On April 1, KPM reached a settlement with the sailors' union, the SPSI, and the union for KPM administrative and land-based workers, SBKPM, thereby averting a threatened strike. As part of the settlement, KPM increased the wages and improved the conditions of Indonesian sailors and administrative workers, including undertaking to create a pension fund for them.⁵⁵ This settlement angered foremen in the Unie Kampung who some time earlier had approached the companies that owned the complex and requested improvements in the wages and work conditions of the permanent laborers who did the manual work in the harbor. Their demands included a work day from eight in the morning until four in the afternoon (a reduction of one hour), with overtime paid for hours worked outside these times; a wage increase of around 50 percent, to Rp. 3 a day for ordinary workers and Rp. 5 a day for foremen; improved food; more piped water for drinking and washing; an end to restrictions on the use of electricity in the evenings; and company payment of burial costs. The foremen's approach was made independently of their union, the SKBP.

Having received no response to their demands, the foremen turned to the SBKP for support. The union had a strong base among the foremen in the Unie Kampung, and through them was able to influence the permanent workers living there.⁵⁶ To retain this support it had no choice but to increase the pressure on KPM by warning it would call a strike if it did not respond within twenty-four hours.

On April 3, the SKBP called a strike of around nine thousand workers, which brought the Tanjung Priok harbor to a standstill.⁵⁷ A few days later thousands of strikers held a demonstration at the harbor, waving red and white national flags and holding banners aloft. "We will remain on strike until our demands are met," stated one defiant banner.⁵⁸ The Tanjung Priok Labor Office, realizing the potential seriousness of the strike if it lasted any length of time, brought the two sides together and tried to persuade the companies to reach a compromise. The Labor Office had for some time been concerned by dockworkers' unions making different demands on

⁵³ See: *Pedoman*, March 3, 7, 8, and 14, 1950; *Kedaulatan Rakjat*, March 10 and 16, 1950; and Agustinus Supriyono, "Buruh Pelabuhan Semarang."

⁵⁴ The final agreement signed a month later included a clause adjusting wages in accordance with rises in the price of rice. This was an important breakthrough, given that the market price of cheap, quality rice more than doubled from Rp. 0.66 a litre in 1950 to Rp 1.65 in 1951. Unions would increasingly demand similar clauses or food packages in collective agreements as a way of providing some protection against inflation. See *Statistical Pocketbook of Indonesia 1958*, 225, table 6. The agreement, dated April 13, is reprinted as an appendix in "Verslag over de maand April 1950 van de Koninklijke de Nederlanden te Semarang," Nederlands Commissariaat te Semarang, Inv. no.144, Netherlands National Archives.

⁵⁵ *Pedoman*, April 3, 1950.

⁵⁶ Supriyono, "Buruh Pelabuhan Semarang."

⁵⁷ See: Elliott "Bersatoe Kita Berdiri Bertjerai Kita Djatoeh," 125; and *Pedoman*, March 3, 7, 8, and 14, 1950.

⁵⁸ *Java Bode*, April 14, 1950.

employers, which made it more difficult for disputes to be resolved. It suggested that the Jakarta branch of Sobsi work with the three major unions at Tanjung Priok—SBKP, SBLP, and SBKPM—to submit a common set of demands to all companies in the harbor. Its intervention was successful. The strike ended on April 14, after a multi-union agreement with the Shipping Employers' Association that included a forty-three-hour week and a minimum daily wage for casual workers of Rp. 3.50, plus a free midday meal and 500 grams of rice per day. Unie Kampung workers were to be paid Rp. 3 a day plus three free meals and a rice allowance for their wives.⁵⁹ Once again, the lesson was clear to workers and their unions. Employers would only improve wages and conditions after a strike.

The Drydock Company

The archives of the Drydock Company at Tanjung Priok, which employed around two thousand workers, provide an insight into the management of labor relations at one of the major companies in the Jakarta harbor.⁶⁰ A dispute in December 1949, just after the November signing of the Round Table Agreement under which the Netherlands recognized Indonesian independence, illustrates how long-standing conditions from the colonial era were no longer acceptable to workers. At noon on Tuesday, December 6, work stopped at the Drydock Company for the usual one-hour meal break. Skilled workers in the machine shop refused to eat the free meal of salted fish, stating that it was vile. It was replaced by a new batch, but this, too, was rejected. Two foremen despatched by the company to discuss the issue with the men were told that they were tired of getting salted fish every day. They wanted a greater variety of food. At three o'clock that afternoon they abruptly left work early, stating that this was because they had not eaten.

Over the next three days the Drydock Company provided vegetables and meat for its skilled workers' midday meal. On Saturday morning around three hundred skilled workers were told that they were required to work an afternoon shift, but, because of the short notice, the company would not be able to provide fresh food, only salted fish. Most workers walked out at noon in protest. The following Monday foremen approached company management requesting that workers' be given a daily meal allowance of Rp. 1.50 instead of a free meal. The company refused, and at the midday meal break workers again walked off the job. The following day few turned up to work. On Wednesday, December 14, one of the foremen approached a supervisor to tell him that workers would return to work if the company guaranteed to provide a quality midday meal of meat and vegetables every day. The company agreed and the following day work resumed as normal.⁶¹

The Drydock Company was surprised at workers' determination to overturn a long-standing practice and to take industrial action on what it considered a minor issue. With national independence in the offing, a minor issue to the company was an

⁵⁹ *Pedoman*, April 11, 1950; and *Java Bode*, April 14, 1950.

⁶⁰ The company was N. V. Droogdokmaatschappij "Tandjong Priok" (Dry Dock Company "Tanjung Priok").

⁶¹ See Managing Director to D. Croll, December 23, 1949, in Droogdokmaatschappij Tandjong Priok Archive, Inv. no. 17, Netherlands National Archives.

important symbolic issue for workers. They were asserting their right to be treated with dignity.⁶² The company's managing director conceded these workers' demands because they were skilled tradesmen who would be difficult to replace. The remaining workers continued to be given the cheaper salted fish for their midday meals. There was no union involvement in this dispute, but the quality of midday meals or their replacement by a meal allowance became an ongoing issue in union-led disputes with stevedoring and shipping companies.

In 1950 the Drydock Company recognized that the SBKP had made considerable headway in recruiting members from among skilled and unskilled workers. Over several months in 1950 the company held discussions with the union over a log of claims. The union wanted an enterprise agreement regulating wages as well as conditions such as family allowances, annual bonuses, Lebaran allowances, overtime, annual leave, sick leave, and the payment of medical costs for workers and their families. In early April the managing director warned his board in the Netherlands that settlement of the dispute between the SBKP and KPM would force the Drydock Company to match the new wages and conditions in place at KPM.⁶³ However, negotiations between the Drydock Company and the SBKP stalled, probably because the managing director was conscious that he was expected to maintain the same profit margin as before the war.⁶⁴ On June 5, two days after it had called Tanjung Priok dockworkers out on strike, the SBKP expanded the strike to the Drydock Company.

During the strike, Drydock workers congregated each day outside the company's gates. It was an effective way of dissuading strike-breakers. The striking workers also sometimes joined other strikers at the nearby Tanjung Priok railway station, where union leaders urged them to stay the course. The managing director reported that "it appears from the speeches of our strikers at Priok station that their aim is the destruction of Western capital."⁶⁵ Nevertheless, he let it be known through the clerks, who were not on strike, that he would agree to raise wages, and even make the increase retroactive, but only if the strikers returned to work.⁶⁶ After two weeks,

⁶² Over the next few years a number of disputes were caused by workers' refusing any longer to be treated as "natives," including demands for better quality food, for more tables and chairs in canteens so that they did not have to sit on the floor, and for European managers to cease using derogatory terms when addressing them. Among the resolutions of the congress of Serikat Buruh Perkebunan (the east coast of Sumatra plantation workers union), in July 1950, was a demand that Europeans no longer use derogatory colonial terms such as *jongos*, *oppos*, and *babu* for domestic workers. *Het Nieuwsblad voor Sumatra*, July 26, 1950. In January 1951, the hotel and restaurant workers' union Serikat Buruh Hotel dan Rumah Makan demanded that *jongos* be replaced by the neutral word *pelajan* (attendant or waiter) or the egalitarian word *bung* (brother). *Antara*, January 23, 1951, in *Situasi Perburuhan*, January 1951, 16. In January 1951, the Netherlands Steamship Company sacked 225 Indonesian sailors on its ship *Oranje* because they insisted on wearing the *kopiah* as a symbol of Indonesian nationalism instead of the cap designated by the company, which they argued was a symbol of colonialism. After protests from the dockworkers' union and intervention by Minister of Labor Suroso, the men were eventually reinstated. *Antara*, January 11, 1950, in *Situasi Perburuhan*, January 1951, 46.

⁶³ Managing Director to D. Croll, April 12, 1950, in Droogdokmaatschappij Tandjong Priok Archive, Inv. no. 17, Netherlands National Archives.

⁶⁴ In a letter to the chairman of the board immediately after the strike was concluded and a protocol with the unions agreed to, the managing director expressed his concern about the impact of the cost increases on the company's ability to meet the board's instructions to maintain the same profit margin as in earlier years. See Managing Director to D. Croll, July 10, 1950, in *ibid.*

⁶⁵ Managing Director to D. Croll, June 12, 1950, in *ibid.*

⁶⁶ *Ibid.*

under pressure from the Tanjung Priok Labor Office, the company entered into serious negotiations with the SBKP.

Agreement was finally reached and a protocol signed. This was a major victory for the SBKP. It was formally recognized as a legitimate representative of workers. The major sticking point was the union demand that workers be paid for the days that they were on strike. Unions consistently demanded that employers pay workers for the days they were on strike, arguing that strikes occurred because managers' colonial mentalities blinded them to seeing that wages and conditions inherited from the colonial era were no longer acceptable. Union leaders were also aware that workers who could barely support themselves and their families from one payday to the next would be much less likely to take industrial action if retroactive pay for days on strike was not forthcoming. European managers objected to what they saw as companies' financial support of workers' industrial actions, yet, in the face of union resolve, most companies eventually compromised and paid some retroactive wages.

The Drydock Company was among the many foreign firms in the 1950s that opposed paying workers for their days on strike. Its managing director agreed that paying workers for the days they were on strike was anathema in the European context, but urged a pragmatic approach in Indonesia. With no further paydays scheduled before Lebaran, the company finally agreed to offer a monetary "gift" to striking workers, provided they returned to work immediately. For the Drydock Company managers, this solution honored the principle of not paying wages to strikers while providing the same amount of money to them, just as if the striking workers had been paid their full back wages. The union called a workers' meeting and presented to them the company's terms, and the striking workers agreed to return to work for the new wages and conditions, including the "gift."⁶⁷

Surabaya Harbor

In the early 1950s there was extensive petty theft in all of the Indonesian harbors, both by dockworkers (who regarded it as a perk of the job⁶⁸) and by hundreds of others who each day evaded security checks or bribed their way onto the docks. Surabaya's harbor was the worst affected, reflecting the difficulty in restoring law and order in that city. The scale and brazenness of the thefts in Surabaya's harbor and, more particularly, the extensive organized looting by external gangs, was far in excess

⁶⁷ "Verslag vergadering op Woensdag 21 June en Donderdag 22 June 1950 onder leiding van de heer Gondokoesoemo ten kantor van de Arbeidsinspectie," enclosed in Managing Director to D. Croll, June 24, 1950, in *ibid.* Elsewhere in this report to his board in the Netherlands, the managing director of the Tanjung Priok Dry Dock Company explained that many companies had decided to pay workers for days they were on strike, despite the unjustness and illogicality of this: "... if we focus solely on the reality of the situation that we are trying to make money in Indonesia under an Indonesian government, then we must make some effort to accommodate proposals from the people, as for example with the fasting period and Lebaran, however illogical this may appear in your eyes." See *ibid.*

⁶⁸ See, for example: Ralph Callebert, "Cleansing the Wharves: Pilferage, Bribery, and Social Connections on the Durban Docks in the 1950s," *Canadian Journal of African Studies* 46, 1 (2012): 23–38; and Davis, *Waterfront Revolts*. In one day alone in 1951, 117 dockworkers in Semarang were convicted of petty theft, with penalties ranging from small fines to two months in jail. *Java Bode*, January 26, 1951.

of normal leakage.⁶⁹ Insurance premiums soared, causing shipping companies in 1951 to threaten a boycott of the port unless the government brought the pilferage and thievery under control.

Despite the shipping and stevedoring companies' constant criticism of labor unions, it is clear that they helped to manage disorder on the docks. Union leaders often argued that petty theft by dockworkers reflected their poverty and that if wages and conditions were improved such losses would be significantly reduced. At the same time they were intent on building strong, disciplined organizations. They saw large-scale theft, and especially looting by armed gangs, as obstacles to achieving their industrial goals. The Surabaya branch of the SBLP was a tough negotiator, but was determined to maintain discipline in the workforce. Reducing petty theft by workers was among its goals.

The chairman of the Tanjung Perak (Surabaya harbor) branch of the SBLP, Sardjono, was an engineer. In March 1950, the Indonesian government appointed him as harbor master. He was well qualified for the task, but the government may also have believed his position within the union would improve industrial relations in the harbor. If this were the case, then they were not disappointed. One of Sardjono's first actions was to convene a meeting of representatives of the twenty-three companies operating in the harbor with the SBLP branch executive. The result was a joint employer/union committee to develop common social conditions for workers and a new wage structure. By the end of March there was agreement to increase the wages of casual day-wage workers from Rp. 1.80 to Rp. 2.50, and the wages of casual workers on the ships from Rp. 2.50 to Rp. 3.50. Casual workers were also to be provided with two free meals a day and transport money to and from the harbor. Work on official holidays, and on Saturdays and Sundays, was to be paid as normal days, but workers would not be compelled to work on those days.⁷⁰

The first collective agreement in the Surabaya harbor was reached quickly and without conflict. The situation changed when, on April 17, 1950, the SBLP submitted a more detailed log of claims to the Surabaya branch of the Shipping Employers' Association that included a 100 percent wage increase for the lowest paid workers, a forty hour week, and improved meal provisions. The negotiations in March arranged by Sardjono had succeeded in large part because they were conducted at the local level. This time it was different. The Shipping Employers' Association central office in Jakarta wanted to establish control over agreements. Negotiations stalled when the key issues of work hours and wages were referred to Jakarta. The implementation on May 1 of new national labor laws, which included a seven hour work day, a forty hour work week, and minimum paid annual leave for permanent workers, undermined employers' negotiating position and encouraged the SBLP to apply industrial pressure.⁷¹

⁶⁹ Besides the problems with petty theft, warehouses in Surabaya's harbor precinct were particular targets for armed gangs. Tons of rice, cigarettes, textiles, and alcohol were among the goods regularly carted away in waiting trucks.

⁷⁰ See: *Pedoman*, March 30, 1950; and *Java Bode*, March 9 and 29, 1950.

⁷¹ These were the 1948 labor laws enacted by the Republic of Indonesia.

On May 5, the SBLP held a meeting in the harbor and instructed workers to strike. The following morning a large group of dockworkers marched into Surabaya carrying banners and flags protesting employers' lack of response to their demands. The strike lasted ten days, only ending when the head of the Labor Office in Surabaya insisted that the two parties enter into negotiations at the office of the Surabaya governor. The result was a comprehensive collective agreement that incorporated the new national labor laws, regulated overtime payments, and established a standard minimum wage across the harbor. Employers also agreed to pay workers for their days on strike, with the usual qualification that this should not be seen as a precedent.⁷² Like all collective agreements in the early 1950s, it had a short end date—in this case, three months from June 1—which opened the way for a speedy resumption of conflict.

An appendix to the agreement shows both the negotiating skills of the SBLP as well as employer recognition of the union's key role in the harbor. Employers agreed to make a one-off payment to the union of forty cents a day for each day-wage worker employed between April 2 and May 5, in recognition of the costs incurred by the SBLP in resolving the dispute. This payment was included in an appendix to the collective agreement, rather than in the agreement itself. Given that unions shared information and built on each other's claims, it may not have been unique. The payment to the union was in addition to that provided to workers for the days on strike. The money involved was significant, probably on the order of Rp. 40,000. It would have greatly strengthened union finances. Getting workers to pay their membership dues was as difficult for the SBLP as it was for most unions.

The offset for employers may have been another clause in the annexure under which the SBLP undertook to try to raise productivity, improve discipline, and reduce theft in the harbor.⁷³ All were major issues that increased companies' costs. Significant improvement in these areas would have been well worth Rp. 40,000. A newspaper report stated that once or twice a week somebody from the SBLP spoke to dockworkers at the midday meal break, urging them to work harder and to give up stealing. It is nevertheless difficult to determine whether such speeches were effective. The same issue of the newspaper contained a photograph of police searching workers as they were leaving the docks and confiscating large amounts of stolen goods.⁷⁴ Effective or not, it showed the intent of the union to maintain worker discipline and employers' recognition of its influence in the workplace.

Further Conflict in Belawan

The pattern of conflicts in the harbors in 1950 was that after one dispute was settled another broke out elsewhere. One of the reasons for this was that collective agreements were of short duration. Unions were reluctant to enter into agreements with expiration dates more than a few months away because they feared that high

⁷² "Overeenkomst tussen de S.B.L.P en de C.B.H te Surabaya," June 3, 1950, in Nederlands Commissariaat te Semarang, Inv. no 97, Netherlands National Archives. On the strike, see also: *De Vrije Pers*, April 11, 17, 26, and May 6, 1950; *De Locomotief*, May 6, 1950; and *Pedoman*, June 8, 1950.

⁷³ Appendix 1, "Overeenkomst tussen de S.B.L.P en de C.B.H te Surabaya," June 3, 1950, Nederlands Commissariaat te Semarang, Inv. no. 97, Netherlands National Archives.

⁷⁴ *De Vrije Pers*, June 10, 1950.

inflation would erode any gains. The result was a constant process of renegotiation—and conflict. Another reason was that negotiations for collective agreements were largely conducted by individual branches, which led to considerable variation from one harbor to another and among companies in the same harbor. Branch leaders paid close attention to agreements negotiated by other branches or unions and were quick to demand that the most favorable clauses be incorporated into their own agreements. The Shipping Employers' Association in Jakarta was trying to move toward standardized wages and conditions in order to limit disputes, but found this difficult to achieve given the significantly higher cost of living on the east coast of Sumatra than on Java, and the different labor pools from which the more than seventy individual companies drew their workers.

In the last quarter of 1950, Belawan again experienced a major dispute. Since the beginning of September the SBKP had organized a workers' go-slow campaign and had banned overtime in support of a nineteen-point log of claims, the core of which was an increase in the minimum daily wage from Rp. 6 (cash and kind) to Rp. 10, of which Rp. 5.34 would be in cash and the rest in-kind. Increasing the proportion of total wages paid as in-kind was a strategy increasingly employed by unions to shift the risk of inflation from workers to employers. The SBKP also demanded that casual workers be paid the same wages as permanent workers.⁷⁵

The union's campaign slowed the harbor's commercial activity to 50 percent of its normal capacity.⁷⁶ At the beginning of October, representatives of the local branches of the SBKP and Sobsi, which had recently established an office in Medan, met with representatives of the Belawan branch of the Shipping Employers' Association, under the auspices of the Medan Labor Office. Negotiations stalled when employers refused to increase daily wages above Rp 6. The union then called a strike. On October 2, some three thousand Belawan workers stayed away from work, including office workers, warehouse guards, and dockworkers. Workers in the food distribution centers in Belawan and Medan joined in solidarity. Exports from the harbor came to a halt, except for palm oil and latex that was pumped onto ships by European workers. Europeans also unloaded some ships, but could cover only a small fraction of the normal workload.⁷⁷ The use of strike-breakers has always aroused a strong reaction from strikers and unions, but a foreign company using Europeans as strike-breakers in a country that had only just achieved independence was particularly insensitive.

The strike was called despite the ban on strikes in vital industries imposed by the North Sumatra military commander in July. A detachment of troops was immediately sent to the harbor to maintain order and prevent theft from the warehouses, but with instructions not to intervene in the strike. However, when the SBKP took the unusual step of refusing to allow dockworkers to unload government distribution goods from warehouses and ships, causing shops stocking rationed goods to close their doors and the market price of rice to increase by 50 percent, the army remained neutral no longer. It recruited workers from the casual labor pool of the harbor and volunteers from Belawan and Medan to unload rationed goods. Regarded as strike-breakers by

⁷⁵ See the summary of the log of claims in British Consulate, Medan, Weekly Summary no. 36 (confidential), October 5, 1950, in FO 371/83684, British National Archives.

⁷⁶ *De Locomotief*, September 30, 1950.

⁷⁷ *De Vrije Pers*, October 9, 1950.

dockworkers, they were met with hostility. On October 10, thousands of people turned out in the streets of Belawan to watch a parade of strikers protesting against military intervention:

Demonstrations and hostile speeches were made against the volunteer workers, two trains were stopped by bands of strikes and searched for volunteer, and there was some sporadic shouting at trucks and cars in the vicinity of the town.⁷⁸

The following day, under armed guard, the reserve workers and volunteers unloaded ships and loaded goods from the warehouses onto trucks and railway wagons. The military intervention was a circuit breaker. The SBKP had been continuing negotiations with the Medan Labor Office without the involvement of employers. Worried by the prospect of losing control of strikers, it quickly reached an agreement. On October 12, the North Sumatra military commander ordered Belawan dockworkers to return to work and employers to pay the new wages determined by the Labor Office. These ranged from Rp. 6.30 for an unmarried man to Rp. 6.50 for a married man with two children, paid as two-thirds in cash and one-third as in-kind.⁷⁹

The difficulty of renegotiating the workplace in 1950 was further illustrated by the refusal of the Shipping Employers' Association in Jakarta to accept the ruling of the Medan Labor Office. Concerned about ramifications for other harbors, it protested to the minister of labor and the minister of trade and industry that local governments and army commanders did not have the authority to make such determinations. The chairman of the Medan branch of the association returned from discussions in Jakarta with instructions that companies should pay the new rates "under protest," and inform workers that this was only an advance pending a final determination.⁸⁰ Not surprisingly, the SBKP responded by demanding that the government force the companies to implement the decision of the Labor Office in full. A delegation also met with the military commander to ask him to force the companies to comply.⁸¹ Tension increased when the companies began to pay the new rates in cash, instead of up to half in goods, arguing that there was a shortage of rice and other rationed goods in the open market.

The SBKP again began a go-slow campaign and an overtime ban. In addition to demanding that the companies implement the Labor Office's determination in full, it demanded an end to the payment of lower wages to casual workers. It wanted a common rate of pay for the low paid casual laborers who moved goods to and from the docks, the railway wagons, the barges, and the warehouses. The Labor Office expressed some sympathy, but wholesalers and importers/exporters argued that this

⁷⁸ British Consulate, Medan, Weekly Summary no. 37 (confidential), October 12, 1950, in FO 371/83684, British National Archives. See also *Pedoman*, October 4, 1950.

⁷⁹ *Het Nieuwsblad voor Sumatra*, October 12, 1950.

⁸⁰ The Acting British Consul at Medan reported that he had raised with the local manager of KPM the problem of companies challenging the authority of the government: "He replied that there was no real authority here, that the whole position is chaotic and will get worse until eventually the Dutch will have to be called in to run things again." British Consulate, Medan, Weekly Summary no. 38 (confidential), October 19, 1950, in FO 371/83684, British National Archives.

⁸¹ *Waspada*, October 20, 1950.

would only lead to increased prices. They absolved themselves of any responsibility by pointing out that they did not employ casual labor directly, but engaged contractors.⁸²

Workers were increasingly angered by the employers' attitude. They believed that the companies were reneging on an agreement with impunity. On October 21, the government tried to end the dispute by providing eleven tons of rice to Belawan dockworkers. While welcomed and gratefully received, workers insisted that it was only half of the amount owed them by the companies. On October 22, the SBKP held a mass meeting. There it was decided that if the companies did not comply with the agreement by October 27, it would organize a demonstration, and if that failed, on November 1 it would call a three-day strike.⁸³ Workers' anger was increased when shortly after this meeting the Netherlands Shipping Company sacked nine men, including the chairman of the union sub-branch, accusing them of fomenting further strikes.⁸⁴

The strike was postponed and discussions continued between employers and the unions with the mediation of the Labor Office. But the go-slow campaign and overtime ban continued. With no resolution in sight, and a queue of ships waiting to load and unload at Belawan, the Jakarta government and the military brought the dispute to a head. The government ended employers' procrastination on implementing the Labor Office's ruling concerning pay increases by releasing additional government food stocks to the companies to enable them to distribute the required rations. The army again brought in an outside labor force to clear the docks of overflowing cargo. These laborers worked night shifts under police protection, but on the fourth afternoon, when trucks bringing them to the harbor stopped at the police post to get harbor passes, they were met by a crowd of around eight hundred Unie Kampung workers who blocked their entry to the docks. The authorities' response was swift. An armed police mobile brigade was brought in and, on December 7, 1950, the chairman, secretary, and two executive members of the Belawan branch of the union were arrested. The following day, when work was due to start, the entire regular workforce of three thousand individuals again held a sit-down strike. The harbor superintendent sent them back to the Unie Kampung. That night, a large, reinforced contingent of police and military personnel protected the nonunion laborers brought in from outside.

A few days later, another eleven executive members of the union were arrested. Officials from the Labor Office followed up by going to the Unie Kampung and telling workers that, while the government was committed to improving workers' conditions, it would not allow them to put millions of others people's lives and jobs at risk. With the leaders of the Belawan branch of the SBKP in jail and the military determined to ensure cargo was cleared from the ships and the docks, workers had no choice but to end their go-slow and overtime bans. Within a few days the Belawan harbor had returned to normal, but continued to be a tense workplace.⁸⁵

⁸² *Pedomani*, December 6, 1950.

⁸³ *Waspada*, October 24, 1950.

⁸⁴ *Waspada*, October 26, 1950.

⁸⁵ This discussion of the Belawan conflict is based on British Consulate, Medan, Weekly Summaries, nos. 39–43, October 26–December 7, 1950, in FO 371/83684, British National Archives; *Pedomani*, December 6 and 9, 1950; and *Het Nieuwsblad voor Sumatra*, October 31, November 1 and 6, and December 11, 1950.

Amalgamation

In October 1950 the SBKP and the SBLP merged to become the Serikat Buruh Pelabuhan Pelajan Indonesia (SBPP, Indonesian Seamen and Dockworkers' Union). The merger was not unexpected, given that both were affiliated with Sobsi, had complementary membership bases (the SBKP in Tanjung Priok and Belawan and the SBLP in Surabaya), and had cooperated throughout the year in industrial campaigns. The timing of the merger was probably influenced by the shipping and stevedoring companies' strategy of combating unions by centralizing the management of industrial relations in the Shipping Employers' Association. A single union dominating the three key harbors of Jakarta, Surabaya, and Belawan increased workers' bargaining power against employers acting in concert.

The formation of one union for workers in most of the major harbors alarmed the shipping industry. The rhetoric from the congress at which the SBPP was formed increased these fears. Portraits of Musso, Marx, Engels, Stalin, and Mao Tse-tung looked down on delegates. A key speaker was the young D. N. Aidit from the PKI Central Bureau. The leaders of the new union rallied delegates with the vision of a stronger-than-ever union better able to confront employers, and urged them to redouble their efforts in solidarity with other unions fighting for greater justice in the workplace and the creation of a socialist society.⁸⁶ The Shipping Employers' Association reacted by establishing a specialist industrial relations unit and increasing pressure on the government to rein in what in 1954 the managing director of the Drydock Company called "... the terror of the labor unions."⁸⁷

The successful strikes of 1950 were woven into the SBPP narrative as it urged dockworkers to support the union. SBPP leaders argued that experience showed that employers only improved wages and job conditions when workers were prepared to take industrial action. But these same leaders, like those of most unions, were wary of unorganized local actions, insisting that industrial action be under firm union control. The SBPP was a militant union that was determined to maintain firm control over its members while improving their work conditions. Conflicts in the harbors intensified, including a major strike against KPM in 1954. In December 1957 the SBPP led the action to seize KPM assets, a precursor to the nationalization of all Netherlands assets after the failure of talks over the transfer of West Irian to Indonesia.

Renegotiating the Postcolonial Workplace

The first year of Indonesian independence saw a transition in the relationship between foreign capital and Indonesian labor. The repressive colonial structures that had restrained worker activism and restricted the development of labor unions were no longer viable, but new structures had yet to be created. Fortunately, the Indonesian government was supportive of workers' demands for an end to the exploitative and

⁸⁶ See: *De Locomotief*, October 30, 1950; and "SBKP/SBLP menjelma menjadi SB Pelaut dan Pelabuhan," *Zaman Baru*, November 1, 1950: 8.

⁸⁷ Managing Director to D. Croll, November 17, 1954, in Droogdokmaatschappij Tandjong Priok Archive, Inv. no. 21, Netherlands National Archives.

discriminatory wages and conditions inherited from the colonial era.⁸⁸ It was also sympathetic to the impact of inflation on workers' lives and critical of the reluctance of foreign companies to negotiate with unions. However, by the end of the year, government leaders were becoming increasingly concerned about the impact of ongoing labor unrest (particularly in the harbors and the plantations) on export income and the national budget. Moreover, the dominance of unions affiliated with the communist-controlled Sobsi in key areas of the economy increased officials' fears about the direction of labor union activities.

The intervention of the military in the Belawan strike in December 1950 and the subsequent arrest of union leaders foreshadowed greater government intervention in labor relations. Extensive strikes in the West Java textile industry early in 1951, the threat of another total strike in the Sumatran plantations, and ongoing disputes in the harbors and with the shipping industry (including a strike in the Cirebon harbor) were the final catalysts. On February 13, 1951, Prime Minister Natsir invoked the 1939 State of War and Siege ordinance to ban strikes in essential industries, including the harbors. A Central Committee for the Settlement of Labor Disputes was established to arbitrate between capital and labor. This was the beginning of a new phase in the process of renegotiating the postcolonial workplace, and both unions and employers were forced to adjust their strategies to the new system.

⁸⁸ In his May Day speech in 1950, Minister of Labor Wilopo chided employers for repeatedly stating that labor unions did not represent workers. He hoped that changes to social structures, which had taken tens of years to change in Western countries, might be achieved in two years in Indonesia. The speech was circulated by the Employers Association of Indonesia along with a commentary that was heavily critical of its tone and content. See Ondernemersraad voor Indoneie te s'-Gravenhage Archive, Inv. no. 167, Short Reports May 8 and 16, 1950, Netherlands National Archives.