A. Background

Due to the world energy crisis in the last few years, which also affected Indonesia, President Soesilo Bambang Yudoyono executed the program of planting a ten-million-acres of castor oil plants. This program reminds us when Japanese colonized Indonesia. During the occupation, the Japanese government also made the same program for the community to overcome economic crisis in South Sulawesi. Today, such program has been taken as an example by the government of Indonesia in supporting the people to overcome the global energy crisis.

The hazy view about Japan as the result of the Second World War, which tends to be negative and worse perception, now has been changed and many Japanese government policies taken as examples by Indonesian government such as: agricultural intensification, cotton and castor oil planting and mulberry. The statement such as “Japanese is brutal” although they have been colonizing Indonesia for 3.5 years, its brutality was comparable with the Dutch whom has been colonizing for 350 years. Although this statement has been written in National History of Indonesia nowadays, it is actually not so true since we focused to only the negative aspects rather than the positive aspects such as to how to overcome the economic crisis.

The economic activities of Japan in South Sulawesi in 1940s were more intensive, not only in trading sector as indicated by the establishment of commercial ship namely: Nippon Yusen Kaisha, Osaka Shosen Kaisha dan Noorsche Wilh, but also in mining, agriculture, fishery, even in industrial sector such as: textile, silk and castor oil. Basically, planting of cotton, castor oil plants and mulberry was aimed at coping with the shortage of clothes in South Sulawesi as a result of textile and petroleum trading and even every things sent to Makassar blockaded by the allied forces. Many areas in South Sulawesi were obliged to execute land renovation by planting cotton and castor oil plants. For example, in Sinjai regency in 1943, there were about 300 acres of castor oil plants and cotton. In other regencies such as Bone, Bulukumba, Wajo and Soppeng in the same year, were also found as much as ten thousands acres of castor oil
plants, cotton and mulberry as reported by South Sulawesi Plantation Agency. (data source:
South Sulawesi Archive reg. 152, box 27). KPM Ships and boats were banned to operate except
for only to serve the allied forces administration. If there was a boat owned by the indigenous
people and found to operate, the boat was sunk into the sea by the allied forces whose based in

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textile. Mulberry trees as the silkworm main food, became a main source of community
income. Likewise cotton that had been twined in making thread, was woven to make sarong.

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improve the economy of common people. It was an effort to maintain “rust and orde”. This
strengthening of common people economy provided a great expectation for the people living in
hinterland area of South Sulawesi. Planting mulberry trees policy has taken place up to now and
made South Sulawesi as a very well known silk producer in overseas.

Today, there are some places in South Sulawesi which still become silk producer such as
Mandar (known as Mandar silk), and Wajo (Sengkang Silk). The area, however, are not as large
as it was in Japanese era which it was estimated hundreds-thousands acres (Before South
Sulawesi made as national rice barn by Indonesian government known as Lappo Ase movement
program). The writer met several people as informants about the subject. According to them,
one of the factors which made the silk products increased in Japanese era was because of the
misery and poor economic condition of the people and there was no other clothes caused by war.
In addition, the Japanese military government did the effort to eliminate the bureaucratic link of
the Dutch colonialism with local kings whom were regarded to have a long relationship with the
Dutch in South Sulawesi. This effort was also aimed at persuading the local people in
supporting the war logistics. This was in line with the propaganda for Three A Movement of
Japan which was accepted by South Sulawesi revolutionists.

In addition to agricultural policy, there was also mining policy. In the middle of 1942,
Pangkajene Kepuluan (Pangkep) regency was opened for coal mining. This coal mining was
sponsored by a Japanese called Hadachi. When this coal mining opened, the Japanese was
supported by the lokal king of Pangkep. This coal mining recruited thousands of workers both
from South Sulawesi and outsiders such from Java and Sumatra. (The labour from these two areas were called *romuscha*). *Romusscha* from Java were unskill workers taken from labors of sugar manufactures in Java. On the other hand, local workers were recruited with higher wages compared to romuscha wages namely 35-40 at the average per day. It was the reason why the opening of coal mining in Balocci (Pangkep) getting support from local nobilities and the people of South Sulawesi.

Japanese economic activity in fishery sector was also responded because every people was allowed to collect sea products by which this activity worried European merchants. Japanese merchants in Manado and Makssar began to dominate merchant agents by establishing various fish canning industries especially after the Japanese occupation in 1942. That was the reason why Peter Post (1991) considered the role of Japanese merchants as competitors for European merchants whom people in Southeast Asia feared of. At the meantime, Japan had dominated the economic structure of Southeast Asia since 1870s and had continued to dominate political sector after Pacific war which becomes the main focus of this research.

In order to cope with the shortage of food and clothes in peasantry, Japanese military government established institution which its aim was to cater the distribution of food and clothes. Every entrepreneur who helped the farmer were given chance by the Japanese military government to borrow money from the banks in Makassar such as: De Javaesche Bank, NHM Bank, Hongkong & Shanghai Bank and Bank of Taiwan, Nederlandsch Indische Escompt Maatschappij, Nederlandsch Indische Handelsbank, Chartered Bank of India, Australia & China (firm of Michael Stephens & Co Ltd), Bank Dagang Reiss & Co and Bank Tabungan Makasar. However, not all the banks mentioned, supported Japanese government because their commisioners were Dutch except the commisioners of Hongkong & Shanghai Bank and Bank of Taiwan.

Toward the end of Pacific war, nobles and local kings in South Sulawesi got more and more advantages of Japanese policy. Their economic lives were getting improved because they owned large silk plantation land. The nobles’ lands were not left unproductive but hired for silk handicraft industries. The professional workers who worked in Japanese era had changed their position as professional workers in silk business. Some of the professional workers made a cooperation with nobles by developing local entrepreners. Almost every people in South Sulawesi had weaving tool. Although most nobles had a restricted educational background, they
dominated the production sectors and land ownership which made them survived for many years. To days, professional workers and nobilities in Wajo and Mandar regencies have become popular local silk entrpreneurs in Indonesia. Since 1970s the castor oil has been no longer used as house hold light and was substituted by petroleum and electricity.

B. Makassar Center Maritime of East Indonesian

This research is aimed to study the economic policy and its implementation in the area where Japanese navy governed especially in South Sulawesi. The existence of Japanese government in South Sulawesi at Second World War seemed to have two major interests. Firstly, Makassar was made as a center maritime fleet of Japanese navy, and secondly, South Sulawesi was driven to empowering the war logistics. These two aspects gave impacts on the type of strategies in political and economic policies implemented in South Sulawesi. This was quiet different in Java, where people were directed to be romuscha and labors in various sectors of minings and plantations. Whereas in South Sulawesi, the Japanese was more cooperative with local kings related to economic development.

Not only was the different type and policy characteristics based on individual area but also the characteristics of population became a main consideration for policy implementation. In addition, there was also a polarization between Japanese army and navy in Java island. Such polarization was interesting to study in order to get a deeply understanding about the history of Japanese occupation in Indonesia especially in South Sulawesi during the war period i.e, decolonization period and the replacement of Dutch regime to Japanese occupation. The way of Local kings fought against the Dutch seemed to have affected the local kings attitude to be loyal to Japanese government. In fact, this research is supposed to correct various researches done by historians and other scientists who were concerned to the dynamics of local history of Japan in Indonesia and who tended to equalize Java and outside Java.

An interesting problem that is hoped to be found in this research is that data not only reflecting the given and accessible empirical data, but also the methodology used and theoretical questions which highlighted the background of data collection. Our question is what frame made as a
background of historical research activity in the past (which was also written in a certain political atmosphere). How far have we referred and questioned the debates of cooperative and noncooperative aspects between Japanese navy and army policy in colonized area, and between economic development and the exploitation of colonized area as a center of war logistics? In this case, the question to be answered is not “what is interpreted politically but from the grassroot point of view as “alternative history”. From grassroot’s point of view has also a critical evaluation against the complexity of the history that it was not the conspiracy between Japan and the ruling kings in South Sulawesi and the history was not merely forced from the elites. The question to raise is hoped to solve various rigid definitions and some borders of diciplin domain as well as the periodization of history. In addition, when we focus our attention to a certain location, does such location provide a clear information about local dynamic activities? How far has economic policy given advantages to South Sulawesi community as well as the economic pattern widely implemented.? How far have the geographical border and local area given support or in reverse have been a barrier to our understanding of the dynamic of rural community itself?

Our focus is the period of 1942 to 1945. This period is regarded very important mainly because there were so many dimensions underlined such as decolonization process where it was not only as a period before and after independence (1942-1945) but also as a long process that having no clear ending and its dynamic sometimes brings about contradiction. Conventional historical writing, and the same is true in elementary and secondary educational textbooks, are quiet often presenting linear process where there was a struggling for ruling power, from the Dutch or Japanese who gave independence to Republic of Indonesia. Historical phase seems to be recorded in our mind while the founding of Indonesian “nation” is assumed to be the product of physical struggling as well diplomacy.

Critical approach is directed to the question of “policy making” process which is often viewed as totality. Likewise the relationship between grassroot and the leaders whom on behalf of common people was not developed naturally. The difference of leadership method in one another may be indicated by psychological characteristics, war tactic and strategies, tribe, government recruitment and massive mobilization.
At the same time, it is undeniable that in a certain moment, there appeared collective consciousness. The establishment of certain constituents were not merely a problem of claiming or ideological intimidation made by historian figures in justifying their struggling but also introducing the common people to the leaders who were supposed to accommodate the common people’s interests. The creation of hegemony or the challenge against the current hegemony becomes an important focus of our discussion and needs to be further analyzed relating to these various local histories.

**C Activities Economic Developed in South Sulawesi**

Today, there are some places in South Sulawesi which still become silk producer such as Mandar (known as Mandar silk), and Wajo (Sengkang Silk). The area, however, are not as large as it was in Japanese era which it was estimated hundreds-thousands acres (Before South Sulawesi made as national rice barn by Indonesian government known as Lappo Ase movement program). The writer met several people as informants about the subject. According to them, one of the factors which made the silk products increased in Japanese era was because of the misery and poor economic condition of the people and there was no other clothes caused by war. In addition, the Japanese military government did the effort to eliminate the bureaucratic link of the Dutch colonialism with local kings whom were regarded to have a long relationship with the Dutch in South Sulawesi. This effort was also aimed at persuading the local people in supporting the war logistics. This was in line with the propaganda for Three A Movement of Japan which was accepted by South Sulawesi revolutionists.

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hinterland area of South Sulawesi. Planting mulberry trees policy has taken place up to now and made South Sulawesi as a very well known silk producer in overseas.

D. Methodology of the Research Project

This research is hoped to enrich historiographic materials of National history of Indonesia, as well as the Japanese history at the war era. In addition, it is also hoped to enrich local history of South Sulawesi materials. Pragmatically, this research may become a model of economic development policy in overcoming various crisis in the war period. The policy model may contribute directly to the economic development of South Sulawesi which is now trying to find a good formulation especially in developing common people economy.

This research is a historical study which its primary data taken from various archive sources either in manuscripts version or interviews. The object of this research is about the economic policy of Japanese Navy primarily in the sectors of agriculture, fisheries and mining and its implementation in the colonized area. This research uses an interdiciplinary approach in the field of history and economics.

Collection of data will be based on written materials such as reports and diaries during the colonial times. Other alternative important source will be oral history if the data are no available in written sources. The use of oral history may be also considered as important source to reveal how the layers of port societies (the Western, the Chinese, the Indigenous people and the Japanese) interacted within and how they perceived this inter-group relationship. By oral history, we hope to hear their point of view about the Japanese economic activities during the colonial times. However, there might be some difficulties in conducting this interview in terms of language (of the Japanese and the indigenous) used by the informants, whom are mostly from the older generation speaking their mother tongue.

The written materials will be obtained from the special collection of National Archive of Indonesia, National library of Indonesia Jakarta, library collections in Makassar, Luwu, Mandar, special collection of Hasanuddin University Library. Other collection will also be
observed such as in KITLV Leiden, and the private collection of Saleh Lahade concerning South Sulawesi economic activities during The Negara Indonesia Timur region.

E Conclusion

This research is an historical study about Japanese Military economic policy in the controlled areas during Pacific-War time.. Such policy affected the regional typology, social and political characteristics and ways of implementing the policy. Data were taken from reports, diaries and oral history written during the Japanese occupation. The research findings indicated that by the Liaison Conference on 20th of November 1941, there was a significant change in Japanese economic policy in Asia, especially in the colonized areas, controlled by Japanese military regim. Such policy shifted the ruling power authority from the civilian to the military government in managing economy in Asia to control food sustainability and empowering industrial raw materials in the areas. In such the cases, the colonized areas was able to implement the concept of “petik-olah-jual”(pick-process-sell) to promote the Far-Eastern Asian commonwealth..Basically, the Far-Eastern Asian Commonwealth was not viewed in one political aspect, especially in terms of human disasters, but the establishment of self reliance in the new economic system in Asia (Keizai Shin Taisei) instead. That was the reason why the Japanese Navy made Sulawesi Kalimantan, Maluccas, Nusa Tenggara and Irian Jaya (West New Guinea) as places for industrial raw materials and textile as well food storages for the sake of East Asia War. The Japanese military policy was enforced by monetary act on 12th of December 1941 which stipulated that the official exchange tool was Japanese currency. Principally, the Japanese military economic policy in Indonesia was divided into two: firstly, which was controlled by Japanese army based in Java island and secondly controlled by Japanese navy based in Makassar. This division resulted an image of Japanese colonization in managing economy in Indonesia. The economic policy of Japanese navy seemed to be more moderate, openly and even got sympathy from local kingships, whereas Japanese army tended to be authoritative. The Japanese navy policy in empowering people economy in South Sulawesi was stated in the Diversified Production Capacity Program (Seisanryoku Kakujuku Keikaku) including cotton plantation, castor villages, public weaving industries, controlling industrial raw materials and food security. Some experts were sent to South Sulawesi to supervise the extension of cotton
plantation and other agricultural programs. That was why in March 1943 cotton union established in areas such as Bantaeng, Bulukumba and Sinjai. The policy promoted the people weaving industry in the villages. To support this policy, some thirty out of seventy-three companies were controlled by Navy with a total of 31.1% of budget allocated. This policy involved some companies: i.e. Mitsubishi, Nihon, Ishihara Sangyo, Furukawa, Nissan Shokai, and Celebes Kogyo. These companies made contract with indigenous farmers in South Sulawesi.

When the economic decrease happened as the impact of Japanese defeated by Allied Forces in Pacific War in the end of 1944, the Diversified Production Capacity Program (Seisanryoku Kakuju Keikaku) 1942 failed. For example 2,270 acres program for cotton South Sulawesi could not be maintained although the Japanese military had tried to intensify by switching the peasants to become romuscha. Meanwhile, weaving machines were out of order. The shortage of seeds and the emerging of cotton disease became the main problems to overcome. In addition, Japanese Military in South Sulawesi was pushed aside and could not continue undergoing the economic program caused by the war which lasted in the Japanese defeat. Nevertheless, there are some places in South Sulawesi that still become silk producers such as Mandar (known as Mandar silk), and Wajo (Sengkang Silk). The area, however, are not as large as it was in Japanese era which it was estimated hundreds-thousands acres (Before South Sulawesi made as national rice barn by Indonesian government known as Lappo Ase movement program).


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