

## Government monopolies in Dutch East-India, opiumregie

Some remarks about colonial monopolies in Dutch East-India and more about the East-Indian government opium monopoly also called, in Dutch, opiumregie

By Dirk Teeuwen

Batavia 1925

www.rendez-vous-batavia.nl



P.1 The opium factory north of the former Stovia building at the corner of Jl. Salemba Raya / Salemba and Jl Dipo Negoro / Oranje Boulevard, Batavia 1925  
Foundation of the factory: 1913

### Contents

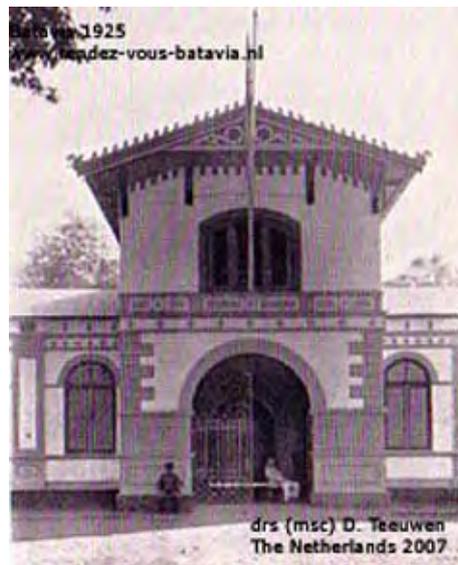
1. Annotations by the author
2. Opium regulation before 1900
3. Opium regulation after 1900
4. Problems, force of circumstances
5. Conclusion
6. Sources, quotations, notes, account for pictures

Pictures are available on request.

A word after a slash, in the text below, is the same word, title, street-name in Dutch.



P.2 Chinese, a result of abuse of opium for 20 years, Batavia 1925  
P.3 Main entrance of the opium factory along Salemba, Batavia 1925



## 1. Annotations by the author

The government of Dutch East-India had the exclusive control of three monopolies: pawnshops, salt winning and opium manufacturing.

In bygone days, before 1903, the pawnshops were operated by private citizens only. The right to conduct these was leased from the Dutch colonial government. Malpractices caused the government to decide in, 1903, to place the management of pawnshops under its own control. At first in Java and Madoera / Madura (completed in 1927) and then in the Outer Islands (1938).

Nevertheless an universal practice of clandestine pawning was uncontrollable. On the other hand the number of official pawnshops greatly increased in the course of years. The management of the official pawnshops was conducted by native, Indo (a) and European officials. Natives, usually, were entrusted with the control of the minor pawnshops.

The preparation of salt was a colonial government monopoly since time immemorial (b) in Java and Madura / Madoera, Sumatra (most districts) and in Dutch Borneo. In Southern Sulawesi / Zuid Celebes the preparation of salt was in the hands of private people. In some parts of Sumatra, enjoying the privilege of importing salt, supplies were brought in by private individuals, mainly from Singapore and Penang, British Malaysia. In general the transport of salt took place partly by governmental transport, partly by private enterprises. Sales were effected through both European, Indo and native officials.



P.4 Natives smoking opium, Batavia 1925

The opium monopoly was introduced in 1894 (see below) It had the object to make provision, in conformity with international agreements, for existing requirements of smoking opium and to guard against, in so far as was possible, the abuses attending the consumption of this narcotic.

However the only solution to solve the opium problem was a minimization of the cultivation of papaveraceous plants. One more complication was the importance of the revenues to the government from production and sales. The benefits on behalf of the government were growing through the years, so that there was little stimulus to give short shrift to the problem.

My impression is that the insolvable problem of opium smuggling and the unofficial opium dens did not contribute to an improvement of the situation and did not encourage the government to aim for its original intentions. In 1926 the government considered the possibility of cutting the official prices of opium because of the continuous smuggling and the, consequently, relatively low price of unofficial opium. The Opium Conference of Geneva, November 1924 – February 1926, did not bring a workable solution on behalf of the problem of opium as well as the addiction to morphine and cocaine.



P.5 Female addict, Batavia 1925

## 2. Opium regulation before 1900

The medical use of opium (*papaver somniferum*) and the possibility of addiction to this drug were known in Persia, India and the Far-East a long time before the the birth of Jesus Christ. The Dutch East-India Company, which settled itself in Java in 1610 (c), tried to monopolize the opium trade. The Company succeeded to obtain this monopoly in Mataram (1676), in Ceribon / Cheribon (1678) and in Banten / Bantam in 1681. The use of opium, as well as the contraband trade, increased enormously.

At first, in the nineteenth century, the government meant to create a better situation by the so-called "opium licence system / opium pacht". This meant that it was prohibited to sell opium in the open market. Until 1904 sale was allowed to licenced retailers only, who had to pay an enormous amount of money to the government for this exclusive right. The result being that those retailers had too much interest in the stimulation of their sales. The smoking as well as the smuggling of opium were deeply rooted. All told: the licence system led to too much evasion, too much abuse and too much encouragement of the use of opium.

## 3. Opium regulation after 1900

September 1<sup>st</sup> 1894! In the isle of Madura (east of Java, twenty miles east from Surabaya / Soerabaja, the government of Dutch East-India started to try out an experiment with the distribution of opium under governmental control. Before 1894 opium could be offered for sale by licensed retailers only, we learned so. Because of the entrenched problems, concerning opium, the government of Dutch East-India - on the mentioned date - started with the distribution of opium under government control (in Dutch: "opiumregie"). In January 1<sup>st</sup> 1904 this control had come in force throughout Java and Madura. In January 1<sup>st</sup> 1913 the government opium monopoly / opiumregie had been introduced in all the Outer Districts also, with the exception of Ternate and West and South New Guinea. (d) In 1921 the monopoly was introduced there as well. From that moment on the opiumregie was in force throughout Dutch East-India. The aim was, of course, to restrict as much as possible the use of, opium. (1) The sale was conducted by officials who received fixed monthly wages, so that there were no middlemen who would benefit in any way by the volume of opium sales.

## 4. Problems, force of circumstances

In daily life Europeans, Indo's, many Chinese and natives could provide themselves with opium without trouble from anywhere.

To be continued on page 6.

Batavia 1925  
 www.rendez-vous-batavia.nl



drs (msc) D. Teeuwen  
 The Netherlands 2007

P.6 Part of the opium factory at Jl Salemba, meant for purified opium to get roasted, Batavia 1925



P.7 The screening of the opium filled tubes before decontrol on behalf of retail, see P.8

<b>Table 1. Registered selling of opium in Dutch East-India from 1920 until 1928 (e):</b>	
<b>In Dutch East-Indian Guilders of 1925:</b>	<b>1925, 1.1.368.075</b>
	<b>(1925: Outer Districts, 677.208, incl.)</b>
<b>1920, 2.607.000 thails, 38,6 grams</b>	<b>1927, 1.531.169</b>
<b>1923, 1.386.000</b>	<b>(1927: total amount, revenues 40.580.051</b>
<b>1924, 1.304.185</b>	<b>guilders)</b>
<b>(1924: Outer Districts, 756.418, incl.)</b>	<b>1928, 1.601.016</b>
	<b>(1928: total amount, revenues 42.827.807</b>
	<b>guilders) (2)</b>



P.8 Part of the opium factory at Jl. Salemba, meant for the filling up of tubes with opium mechanically, Batavia 1925



P.9 Purification of opium in modern colonial times at Jl. Salemba, Batavia 1935

In 1925 the government exploited 18 depots, 1.062 official retailers and 47 official opium dens. The opium factory in Batavia was a very paying concern. In 1925 it produced more than 102 million tubes / kokertjes filled up with opium. During the same year the number of employees increased from 632 to 650. The smuggling increased in an unbelievable tempo. Table 2:

589 thail in 1920  
7.511 thail in 1923  
14.000 thail in 1924  
25.000 thail in 1925 (2) (3)

See also the table on page 4 for a horrifying conclusion about the use of opium in the colony from both tables.

Not amazing! One had to pay 30 guilders for a thail official opium and 20 guilders a thail for smuggled stuff. In 1926 there were more than 20 illegal opium dens in Surabaya / Soerabaja, the sales averaged 30 thail a den daily. The Soerabajan Chinese multimillionaire Cia Po Chat, was locked up in jail because of opium smuggling. He smoked opium, worth 45 guilders, every day. In Java about 150 owners of illegal opium dens were booked in 1925.

## 5. Conclusion (f) (g)

The official colonial monopoly regulation of the opium production and trade failed, because of:

- uncontrollable imports and exploitations which means smuggling and illegal opium dens;
  - the absurd addiction of natives and foreign natives (mainly Chinese);
    - thousands of years of history of abuse;
    - the geographical features of Dutch East-India;
  - being short-handed because of official financial and political reasons;
    - absence of international coordination;
- contradictory interests, on the one hand guarding the use of opium and on the other hand enjoying the fiscal revenue of the opium regie;
- in my opinion a final conclusion is impossible, because of the practical complexity of the colonial reality in those days, also considering the several backgrounds of the dispute mentioned in his article before;
  - the lack of very severe punishment.

## 11. Sources, quotations, notes, account for pictures

### Sources

- (I) Division of Commerce of the Department of Agriculture, Industry and Commerce: Handbook of The Netherlands East-Indies, edition 1924; Bogor / Buitenzorg 1924  
(II) Kalf, S: De "Iofflycke compagnie"; Amsterdam 1916  
(III) Geesink, J. W.: Het opiumvraagstuk  
From > Tropisch Nederland (periodical) 11e jaargang (volume 2), Amsterdam 1929-1930 p. 5-12  
(III) Department of Agriculture, Industry and Commerce: Handbook of the Netherlands East-Indies 1930; Buitenzorg Java 1930  
(IV) Klerck, dr E. S., de: History of the Netherlands East-Indies; Rotterdam 1938  
(V) Vugt, Ewald, van: Wettig opium; Haarlem 1985

### Quotations

- (1) Division of Commerce of the Department of Agriculture, Industry and Commerce: Handbook of The Netherlands East-Indies, edition 1924; Bogor / Buitenzorg 1924 p. 62, 63  
(2) Geesink, J. W.: Het opiumvraagstuk  
From > Tropisch Nederland (periodical) 11e jaargang (volume 2), Amsterdam 1929-1930 p. 7  
(3) Geesink, J. W.: Het opiumvraagstuk  
From > Tropisch Nederland (periodical) 11e jaargang (volume 2), Amsterdam 1929-1930 p. 7

### Notes

- a. Inhabitants of mixed blood.
- b. Of course, "immemorial" means: after the Dutch had taken control in the archipelago.
- c. By order of the Dutch East-India Company, the Dutchman Jacques l'Hermite entered into an agreement with Banten's / Bantam's regent of Jakarta at the mouth of the river Ciliwung, West-Java. See sources (II).
- d. I can not explain those exceptions.
- e. Opium in thails, a thail is 38,6 grams.

- f. An excellent study is Ewald Van Vugt's "Wettig Opium" ("Legal Opium) written in Dutch: about conclusions, see his chapter 34. See sources (V).
- g. Sometimes the colonial government published data of doubtful optimistic character such as the publication of surpluses from monopolies on page 123 of source III.

Pictures

- P.1, P.2, P.4, P.5, P.6, P.7, P.8 are from  
Geesink, J. W.: Het opiumvraagstuk  
From > Tropisch Nederland 1929-1930, Amsterdam  
Resp. page 5, 12, 11, 10, 15, 8, 6
- P.3 Municipality of Batavia: Batavia als handels-, industrie- en woonstad; Batavia – Weltevreden  
1937 p. 226
- P.9 Department of Agriculture, Industry and Commerce: Handbook of The Netherlands East – Indies  
1930; Buitenzorg 1930 p. 116

©2007 drs (msc) D. Teeuwen - Rendez-vous Batavia – The Netherlands