

## 6 The Chinese Commercial Elite of Medan, 1890–1942: The Penang Connection

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From 1870 on, Medan developed rapidly due to the burgeoning plantation industry in East Sumatra, becoming the financial and administrative centre of plantation crops (tobacco, rubber, and palm oil). Workers were imported from India, China, and Java with Chinese traders starting retail and intermediate businesses. The Chinese commercial elite had several features in common—an orientation towards Singapore, Penang and China, Chinese networks, and activities in social and educational projects. The Penang connection was especially clear in education, language, and trade.

### Introduction

The city of Medan on Sumatra's east coast was the centre of a booming plantation industry from the 1870s onwards. Although it seemed to be a European-dominated plantation city, the commercial elite proved to be, besides Dutch trading houses, a limited number of Chinese businessmen, China-born (*totok*) newcomers, who via their cooperation with the Netherlands Indies Government, the plantation industry,



FIG 1 Aerial view of Medan, c.1930.

and their international Chinese networks, put their mark on this last phase of the colonial era which ended in 1942 with the Japanese invasion. The most famous of the Chinese entrepreneurs were the brothers Tjong Yong Hian and Tjong A Fie.

The Chinese commercial elite in Medan had several features in common. These include an orientation towards Singapore and Penang, Chinese networks, and activities in social and educational projects. The Tjong brothers had their international links as they worked together with business partners from Penang, Singapore, Batavia, and Amoy. Tjong A Fie's Medan partner Wee Swee Bee, had properties and businesses in Penang. Another leading community figure among the Chinese society was Khoe Tjin Tek, who cooperated closely with his cousin in Singapore. From a younger generation were Hiu Ngi Fen and Thio Siong Soe, who cooperated with business partners from Singapore, while Chang Pu Ching, as consul representative of the Chinese republic in Medan, also had businesses in Kedah, Malaysia.

### **Large-scale Chinese Migration to Medan**

The story of the Medan Chinese must be viewed against the background of the emerging plantation industry. The district of Deli, on Sumatra's east coast, had experienced a spectacular *Wirtschaftswunder* (economic miracle) after the Dutch started planting tobacco in the 1860s. Jacob Nienhuys started growing the Sumatra tobacco which soon became world-famous. The plantation industry, headed by the Deli Maatschappij (Deli Company), followed by the smaller Senembah Maatschappij, Arendsburg Maatschappij, and others, became a booming business in this region. A huge labour force was needed for the tobacco plantations, which Sumatra did not have. For this reason, labour from China was recruited to work as plantation workers or coolies. Between 1870 and 1933, about 300,000 Chinese moved to Deli.

The brothers Tjong Yong Hian (Chang Yu Nan) (1850–1911) and Tjong A Fie (Chang Hung Nan) (1860–1921) from Mei Hsien, Guangdong, as captain of the Chinese, oversaw the contracts of the coolies upon their arrival (Bool 1903: 6; de Bruin 1918: 45, 109; Buiskool 1999: 23–8). Although the plantation industry was dominated by the Dutch, the role of Tjong A Fie can hardly be overestimated. The path taken by the Tjong brothers began with supplies to plantations, moving into related businesses such as rubber planting and revenue farming before venturing further into banking, real estate, sugar and palm oil processing. Facilitating their expansion into a wide array of business activities were the relations they developed with the colonial authorities, indigenous rulers, and Chinese businessmen in Sumatra, the region, and beyond.

In 1906 Tjong A Fie bought the rubber plantation, Sie Boelan. He was the first Chinese to own plantations in Sumatra. The same year he hired Dutchman Dolf Kamerlingh Onnes. In the years after, Kamerlingh Onnes became superintendent over all his estates and also managed Tjong's other businesses. In 1919, Tjong A Fie owned twenty-three estates or was at least a major shareholder.<sup>1</sup> Tjong A Fie was also the first Chinese in East Sumatra to employ Europeans for his businesses (Chang 1981:

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<sup>1</sup> *Indische Gids*, I (1919): 648.

150; Buiskool 1999: 272, 273).<sup>2</sup> Although it was against the interests of the planters, Tjong A Fie was active in the lobby against the penal sanction.<sup>3</sup> The penal sanction meant that coolies were not allowed to leave the plantation during the contract period, which made them virtual slaves. In spite of his criticism, Tjong A Fie was highly appreciated by the Dutch Government.<sup>4</sup> This was mainly because of his philanthropic activities.

Around the turn of the century, Tjong A Fie owned about 75 per cent of the real estate of the fast-growing city of Medan and practically the whole newly built city of Tebing Tinggi (Buiskool 1999: 32, 68, 74, 76). He had interests in the Parapat and Medan hotels. These distinctive businesses were put in Chong Lee Company (Wright 1909: 576).<sup>5</sup> Both the Tjong brothers served as Chinese officers, official representatives of the Chinese in Deli. The Dutch government appointed officers, from the rank of lieutenant to major, selected from successful individuals who enjoyed respect and status in their community. After Tjong Yong Hian died in 1911, Tjong A Fie succeeded his brother as major and thus became the leading representative of the Chinese on Sumatra's east coast (Kühr 1921: 3–5; de Bruin 1918: 111).<sup>6</sup> Thanks to the facilities provided by the government and their business acumen, the Tjongs managed to build an immense fortune in real estate, hotels, banks, plantations, palm oil and sugar factories, and even their own railroad line in south China.

### Revenue Farms and Business Alliances

Together with appointment as Chinese officers came commercial privileges. As mentioned above, the Tjongs were involved in supplying plantations and mediated in the recruitment of coolies from China. It was not long before they became the official suppliers of crucial products such as sugar and opium. Until 1918, the Dutch government sold monopolies to the highest bidder, mostly to rich Chinese traders. Tjong A Fie acquired the opium monopoly and made a fortune. In 1889, Tjong A Fie was able to obtain the opium monopoly or revenue farm for Riau for the amount of f.85,000 (Dutch guilders) a month. Five years later in 1894, he obtained the opium farm for the east coast of Sumatra for the amount of f.110,000 per month, together with Tjong A Liang and Thio Tiau Siat.<sup>7</sup> In 1905, he again obtained the opium farm for a period of three years for the entire region of Sumatra's east coast for the amount f.161,500 per month. His guarantors were Khoe Tjauw Tiong (Khoo Cheow Tiong) and Tjong Jong Hian.<sup>8</sup> In later years, he remained one of the main players in all revenue farms—opium, salt, pawn house, liquor, and gambling till the monopoly system was

<sup>2</sup> Interview with Mrs Lemye, 15 September 1994; Verslag Handelsvereniging Medan, 1915, 1916, 1917.

<sup>3</sup> Interview with Mr Tjong Kwet Liong, 1992.

<sup>4</sup> Mailrapport 93/17, 6 December 1916, Min. v. Kol. 1900–1963, Alg. Verbalen, 1719, ARA.

<sup>5</sup> *Handboek*, 1916: 1414; *Handboek*, 1919: 1699.

<sup>6</sup> *SP*, 13 September 1916; *DC*, 4 February 1921.

<sup>7</sup> Levensbeschrijving Tjong A Fie, archive Javasche Bank 70.

<sup>8</sup> *SP*, 19 January 1905.

abolished in 1918 on Sumatra's east coast.<sup>9</sup> As Chinese officers, the brothers knew in advance the city planning of Medan, so they bought the adjacent land and built rows of houses in Chinese-European style. In 1886, they built a meat market; a year later, in 1887, they built a fish market and in 1906, a vegetable market. The profit of the markets went to the foundation Tjie On Djie Jan. From this foundation, they financed the Chinese hospital Tjie On Djie Jan in Medan.<sup>10</sup>

Tjong A Fie and Tjong Yong Hian worked together in most of their enterprises. The next person in their affairs was Thio Tiau Siat, a fellow Hakka from a neighbouring county in Guangdong. Thio Tiau Siat (Chang Pi Shih, Cheong Fatt Tze) had his base in Singapore, lived partly in Batavia and had his favourite house in Penang, the Cheong Fatt Tze mansion. Tjong A Fie's house in Medan was modelled on the Cheong Fatt Tze mansion. Tjong A Fie was a financial partner in Thio Tiau Siat's Li Wang Company (de Bruin 1918: 45, 109; Godley 1993: 264). With Thio Tiau Siat, they cooperated in revenue farming, shipping, and banking. A shipping company was established first with a line from Medan to Penang, Singapore, Hong Kong, and Shanghai; and later between Batavia, Hong Kong, and Japan (Li 1984: section 4).

An even bigger undertaking was the Swatow railroad in South China. In the process of the modernization of China, the Tjong brothers joined with Thio Tiau Siat in constructing a railway between Swatow and Chaowchow (Chang 1981: 56; Lee 1977: 29, 137). The starting capital was 180,000 Ta yang (tael). Tjong Yong Hian invested 1,000,000; Tjong A Fie 1,000,000; Lin Li Sheng from Formosa (Taiwan) 500,000; and two Chinese investors, Xie Mengchi and Zhang 500,000. In 1906, the railway—the first railroad built and financed by overseas Chinese—became operational. Tjong Yong Hian became managing director general. In 1909, Tjong Yong Hian's eldest son, Tjong Poe Tjong (Chang Pu Ching), was the acting director (Wright 1909: 580). The railroad was eventually realized by a joint venture of Chinese and Japanese capital. The person acting as go-between in these transactions was, among others, Lim Nie Kar from Amoy (Li 1984: sections 6 and 7; Lee 1977: 96; Rhea 1919: 120, 121; Hiu n.d.: 79, 425). The ties with Lim Nie Kar became even closer after two marriages between the families (Buiskool 1999: 246, 247).<sup>11</sup>

In 1907, the Tjong brothers, together with Thio Tiau Siat, started the Deli Bank. The main investors were Thio Tiau Siat with f.200,000, Tjong Yong Hian with f.150,000, Tjong A Fie with f.100,000, Khoe Tjaw Tiong (Khoo Cheow Teong), a trader in Tanjung Balai, with f.100,000, and Tjia Tjoen Sen (Hsieh Jung Kuang, Cheah Choon Seng), former Lieutenant of the Chinese in Koetaradja (Banda Aceh), later a trader in Penang, also for f.100,000. The directors were Thio Tiau Siat and Tjong Yong Hian and the commissioners, Tjong A Fie, Khoe Tjaw Tiong, and Tjia Tjoen Sen.<sup>12</sup> Before Thio Tiau Siat died in 1916, he made his close business associate, Tjong A Fie, sole executor of his will.<sup>13</sup>

<sup>9</sup> *SP*, 13 January 1916, 15 February 1917, 4 April 1921.

<sup>10</sup> MvO mayor Mackay of Medan, 1933: 106–9; *SP*, 10 September 1918, 25 September 1918.

<sup>11</sup> *SP*, 2 September 1918.

<sup>12</sup> *De Indische Mercur*, 8 October 1907; *Handboek*, 1911: 620; *Handboek*, 1916: 905.

<sup>13</sup> Testament Thio Tiau Siat.

Turning to other business associates, a close friend of Tjong A Fie in Medan was Oei Soei Boe (Wee Swee Bee) from Penang. In Medan, Oei Soei Boe owned Soei Tek Bie Company. According to his granddaughter, he sold salt and arak with Tjong A Fie.<sup>14</sup> Another business partner from Penang was Khoo Sean Kwe (Khoo Sian Ewe). Tjong A Fie represented Khoo Sean Kwe in 1917 in the gambling farm in Sumatra.<sup>15</sup> Other contacts in Medan were Khoe Tjin Tek, who would later become the Major of the Chinese in Medan and Tan Tang Ho of Seng Hap Company. Chang Pu Ching, Chinese consul in Medan, was the son of Tjong Yong Hian and he was close to his uncle Tjong A Fie. Tjong A Fie's trusted employee was the young Hiu Ngi Fen, who worked in his pharmacy Tek Ho Seng. In later years, Hiu himself became a leading figure in Medan. In January 1917, Tjong A Fie initiated the establishment of the Batavia Bank in Batavia (Jakarta) with shareholders from Batavia—Khouw Kim An, Major of the Chinese in Batavia; Captain Lie Tjian Tjoen, Lieutenant Khoe A Fan, Lieutenant Laij Soen Hie, and Oeij Kim Goen.<sup>16</sup>

The Tjong brothers were also close to the Sultans of Deli, Langkat, and Serdang, the local leaders of the three tobacco districts. The Sultan of Langkat praised the Tjong brothers<sup>17</sup> and the Sultan of Deli, Machmud Al Rasjid, even appointed Tjong A Fie as foster parent for several of his children.<sup>18</sup> Tjong A Fie needed the sultan to obtain licences for markets, gambling houses, housing construction, bridges



**FIG 2** City Hall and Java Bank, Medan, c.1915

<sup>14</sup> Interview with Tan Boen Djin and Margaret Wee, 26 October 1993.

<sup>15</sup> *SP*, 15 February 1917.

<sup>16</sup> *Andalas*, 16 January and 24 January 1917.

<sup>17</sup> *Pewarta Deli*, 25 February 1926.

<sup>18</sup> Interview with Tengku Lukman Sinar, 29 November 1995.

and other projects, and for many years there was close cooperation between the two.<sup>19</sup> Since 1879, Tjong A Fie was befriended by J. T. Cremer, former director of the Deli Maatschappij and later Dutch Minister of Colonies (Zandvliet 2002: 402).<sup>20</sup> He had good relations with Dutch government officials, such as De Graaff, later Dutch Ambassador in Tokyo; Zeilinga, President of the Java Bank; Michielsen, the former Resident and other high-ranking officials.<sup>21</sup> The lawyer J. van den Brand, well known from his brochure ‘De millioenen uit Deli’ (The Millions of Deli) in 1902, also wrote about Tjong A Fie. Although van den Brand was very critical about the Chinese headmen on Sumatra in their cooperation with the planters in the labour system which exploited and maltreated the coolies in an unacceptable way, he wrote positively about Tjong A Fie.<sup>22</sup> In 1916, he and Tjong A Fie together made the proposal for the abolishment of the rickshaws in Medan.<sup>23</sup>

The Tjongs financed schools, bridges, Chinese temples, mosques, and hospitals in Sumatra, Malaysia and China (Chang 1981: 62, 65; Lim 1964: 146–52; Khoo 1993: 105).<sup>24</sup> The Tjongs, together with other Hakka tycoons (Thio Tiau Siat, Cheah Choon Seng, Tye Kee Yoon, and Chung Keng Kooi), were the major donors to the largest temple in Penang, the Kek Lok Si, completed in 1905. Several times the Dutch government conferred royal distinctions on the brothers. In 1917, Tjong A Fie was mentioned as a candidate for the People’s Council of the Netherlands Indies, but this was not effectuated.<sup>25</sup> The Tjong brothers were also conferred honours by their homeland China. After many donations to philanthropic activities in Guangdong, the brothers were raised to the rank of Mandarin. In 1904, the Empress Dowager received Tjong Yong Hian in Peking. As one of the major highlights in his career, Tjong A Fie received an honorary doctorate from the Hong Kong University in 1917; so too Loke Yew from Kuala Lumpur (Kühr 1921: 3–5; Godley 1981: 129).<sup>26</sup> The date 11 September 1916 marked the jubilee of Tjong A Fie on the occasion of his thirty years’ service as a Chinese Officer for the government of the Netherlands Indies. The date 11 September had been chosen as it was also the day his brother Tjong Yong Hian passed away in 1911. Every ethnic group in the city and official delegates came to congratulate Tjong A Fie. The three-day feast was probably the greatest celebration for one person ever held in Medan. Tjong A Fie died five years later, on 4 February 1921.<sup>27</sup>

<sup>19</sup> Interviews with Mr T. A. Nawarin, 24 November 1992 and Mrs Lemye, 12 June 1992.

<sup>20</sup> Interview with Mrs Lemye, 13 March 1992.

<sup>21</sup> *Deli Courant*, 4 February 1921; *Soerabaiasch Handelsblad*, 19 April 1921.

<sup>22</sup> Letter, van den Brand, 28 January 1905.

<sup>23</sup> *SP*, 4 May, 9 May, 10 May, 11 May, 16 May 1916.

<sup>24</sup> *Andalas*, 16 November 1918, 1 August 1918, 5 October 1918; interview with Mrs Dusson, 16 February 1995; MvO mayor Mackay of Medan: 145, 179.

<sup>25</sup> *Pewarta Deli*, 21 September 1917.

<sup>26</sup> *Andalas*, 13 January 1917.

<sup>27</sup> *SP*, 13 September 1916; *De Reflector* (1916): 1048–50; *Zhang Yaoxan Boshi Tuazhi Nanyang Sanshi Zoumian Jinianl* [A Memorandum for 30 Years’ Cultivation in Nanyang of Dr Chang Yoh Shen], 1921; *DC*, 4 February 1921.

**TABLE 1** Business Network of Tjong Yong Hian and Tjong A Fie

| <i>Year</i> | <i>Company/<br/>Activities</i>                | <i>Business Partners/<br/>Associates</i>  | <i>Location</i>  |
|-------------|---|---|--|
| 1877        | Li Wang <sup>a</sup>                          | Thio Tiau Siat  | Medan  |
| 1894        | Opium Farm <sup>a</sup><br>(Tjong A Fie)      | Thio Tiau Siat  | East Coast, Sumatra  |
| 1898        | Ban Joo Hin,<br>shipping company <sup>b</sup> | Thio Tiau Siat owned<br>over 50%, Tjong<br>brothers over 40%  | Route out of the Straits<br>area, to Batavia–Hong<br>Kong–Japan. |
| 1904        | Swatow Railroad <sup>c</sup>                  | Thio Tiau Siat and others<br>from China, Taiwan, Siam   | Guangdong, China   |
| 1905–08     | Opium Farm<br>(Tjong A Fie) <sup>d</sup>      | Guarantors: Khoo Cheow<br>Tiong, Tjong Yong Hian  | East Coast, Sumatra  |
| 1905        | Kek Lok Si temple <sup>e</sup>                | Hakka tycoons were major<br>sponsors: Thio Tiau Siat,<br>Tjong brothers, Cheah Choon<br>Seng, Tye Kee Yoon and<br>Chung Keng Kooi | Penang   |
| 1907        | Deli Bank <sup>a</sup>                        | Thio Tiau Siat, Cheah<br>Choon Seng, Khoo Cheow<br>Tiong  | Sumatra  |
| 1917–18     | Gambling farm <sup>a</sup>                    | Tjong A Fie represented<br>Khoo Sian Ewe  | East Coast, Sumatra  |

*Sources:* <sup>a</sup>Yen (1982: 129); Godley (1993: 11); <sup>b</sup>Khoe Tsjin (1994: 359); A. Campo (1992: 360, 361, 365); Li (1984); <sup>c</sup>Li (1984); <sup>d</sup>Levensbeschrijving Tjong A Fie, archief Javasche Bank; <sup>e</sup>Khoo 1993: 105.

### Other Prominent Chinese Entrepreneurs

Tjong A Fie was already a legend during his lifetime. His successor as major of the Chinese, Khoe Tjin Tek (1876–1969), was less famous but also of very good reputation.<sup>28</sup> Born in 1876 in the village of Har Yap in Fujian, he came at a young age to Sumatra as an adopted child of the Khoe family. His father Khoo Teng Ko was a Chinese lieutenant in Laboehan. He started in the timber trade between Medan and Penang and with his grocery store Ban Teng. Together with his cousin Khoe Kok Tin, he established Lian Tin & Co. in Singapore. Khoe's core business was housing construction and wood trading. In 1917, Khoe obtained the salt farm of Bagan Si Api Api with Tan Tang Ho and Tjong A Fie as guarantors for f.38,000 a year.<sup>29</sup> He also imported American Graham Paige and Studebaker automobiles. In 1904, Khoe started the Chung Hwa Shang Yeh Trading Company and in 1913, the Chung Hwa

<sup>28</sup> Letter, van den Brand, 28 January 1905.

<sup>29</sup> Mailrapport 413/1917/, Extract uit het register der besluiten van den Gouverneur Generaal van Nederlandsch Indie, Tjipanas, 15 February 1917.

Shang Yeh Chinese Bank with a capital of f.1,000,000.<sup>30</sup> The latter became one of the leading banks in the city. Together with the Tjong brothers, he established the Tun Pun School. Khoe Tjin Tek also started the ‘Hua Shang’ Chinese school for poor Chinese, and became the first headmaster himself (Vleming 1926: 230; Lim 1964: 146–52; Wright 1909: 581). He was one of the founders of the Hokkien Hwe Koan (organization for Hokkien Chinese) in Medan, succeeding Tjong A Fie as chairman of the Tiong Hoa Siang Hwee (Chinese Chamber of Commerce) and since his appointment as major in 1922, a member of the district council. In 1933, he received a Dutch royal distinction (Aardweg 1938; Suryadinata 1995: 57).<sup>31</sup>

Khoe Tjin Tek’s close business partner was Oen Huat Kim, who was on the board of directors of Khoe’s Chung Hwa Shang Yeh Bank. Oen became one of the leading Chinese businessmen in Medan in the 1920s and also chairman of the Chinese Chamber of Commerce. He owned, among others, the Royal Cinema and Hok Hwa Cinema. The Hokkien graveyard at Jalan Gatot Subroto was on his land.<sup>32</sup>

Another leading businessman was Tan Tang Ho (1860–1918). Born in 1860 in Batavia (Jakarta), he came at the age of fourteen to Medan as a *kelontong* Chinese, with two baskets over his shoulder, selling threads, needles, buttons, etc. In 1881, he managed to establish his business Seng Hap, which became eventually the most well-known P & D (Provisions and Drinks) Warehouse of Sumatra’s east coast. In 1897, Tan obtained a contract for the farming of spirits and a few years later, the salt contract for Bagan Si Api Api (Wright 1909: 581, 582), which was highly profitable as the farmer facilitated the fishing industry in Bagan Si Api Api, the most important fishing harbour throughout the Netherlands Indies. From Bagan Si Api Api salted fish was exported to Java, Singapore, and Thailand, enabling the farmer to make huge profits yearly. Tan was on the board of the Chinese Chamber of Commerce, together with Khoe Tjin Tek and Oen Huat Kim and subsequently, he was also active in the Tiong Hoa Hwe Koan, the Chinese association for education projects in the Netherlands Indies. In 1911, Tan Tang Ho received a personal letter from Sun Yat Sen after giving donations for natural disasters in China.<sup>33</sup> He had little contact with the Dutch but some contact with the Indonesians, such as the Sultan. Seng Hap was established in 1881 and the building with roman pillars which still exists in the Kesawan (Jalan A. Yani) was constructed in 1900.<sup>34</sup> Seng Hap had branches in Binjai and Pangkalan Brandan till around 1925. Tan Tang Ho did not import much but was mostly active in retail trade. This changed after his son Tan Boen An took over when he died in 1918.

Tan Boen An became the new director of Seng Hap following his father’s death.<sup>35</sup> In the 1920s, Seng Hap became the first Chinese import firm in Medan to

<sup>30</sup> *Handboek*, 1916: 1018; *Handboek*, 1919: 902.

<sup>31</sup> MvO ass. res. Winckel, 1925: 675.

<sup>32</sup> Begraafplaatsrapport Gemeente Medan, 1928; Interviews with Mr Hiu Kian Jin; *SP*, 27 January 1916, 12 February 1923.

<sup>33</sup> Interview with Tan Boen Djin and Margaret Wee, 26 October 1993.

<sup>34</sup> *DC*, 24 March 1900.

<sup>35</sup> *SP*, 18 October, 21 October and 26 October 1918.





**FIG 3** Kesawan, Medan, c.1920.

compete with the main Dutch import firms in Medan—Borsumij, Jacobson van den Berg, Geowehry, Internatio, Hagemeyer, Lindeteves Stokvis and Deli Atjeh. Tan was also politically active as he was elected to the Town Council as representative of the Chinese in 1918 after Tjong A Fie had stepped down.<sup>36</sup> He continued lobbying for the abolition of rickshaws in Medan as rickshaw pulling was viewed as a humiliating profession for the rickshaw puller and for the Chinese race as a whole, because it was always the Chinese who were rickshaw pullers. The rickshaws were abolished in the 1930s. In 1906, Seng Hap had a capital of f.200,000 and in 1940, f.312,000. Besides being a director of Seng Hap, Tan Boen An was also a director of the N.V. Handel Maatschappij (Trading Company) Lee Hin Chan, established in 1930 with a capital of f.200,000. The third firm of the Tan brothers was N.V. Handel Maatschappij, Sin (New) Seng Hap, established in 1928, with a capital of f.50,000.<sup>37</sup> Seng Hap was one of the very few Chinese trading houses that enjoyed membership of the Dutch as well as the Chinese Chamber of Commerce in Medan.<sup>38</sup>

Another prominent businessman was Oei Soei Boey (Wee Swee Bee). Born around 1860 in Penang, where he possessed a sugar factory as well as real estate, Oei started the trading company (retailer) Soey Tek Bie in Medan in 1907 with a capital

<sup>36</sup> *SP*, 16 July 1918.

<sup>37</sup> *Handboek*, 1911: 677; *Handboek*, 1940: 526, 791, 807, 840, 917, 970.

<sup>38</sup> *Verslag Handelsvereniging Medan*, 1922, 1936.

of f120,000.<sup>39</sup> He cooperated closely with Tjong A Fie in several businesses, among which were salt and arak (local liquor) monopolies.

From the second generation of the Tjong family, Chang Pu Ching (the eldest son of Tjong Yong Hian), who was born in 1885, became a leading figure in Medan society. In 1915, he was appointed as Chinese Consul to Sumatra by the Chinese republic and when the Chinese Prince Ch'un visited Europe, Chang Pu Ching acted as his secretary. Chang was managing director general of the Swatow railway, principal of the Ching Shi School, and one of the founders of the Su Tung Middle School. He was involved in real estate and plantations, and his company was Chong Lee & Co. In Malaysia, he also had properties, such as a tapioca estate in Kedah. In 1917, he was appointed managing director of the Deli Bank. Just like his father and uncle, Chang Pu Ching received decorations from China as well as from the Netherlands (Aardweg 1938; Godley 1981: 185; Lim 1964: 146–52; Feldwick 1917: 1196).<sup>40</sup>

Also from a younger generation was Hiu Ngi Fen (1902–77), who came to Medan from China at the age of fourteen at the behest of his uncle Hiu Jun Khing, manager of the Chinese drugstore Tek Ho Seng, which was owned by Tjong A Fie. Hiu first worked as an apprentice in Tek Ho Seng. When Tjong A Fie opened another drugstore, Po Tai Fo, he appointed Hiu as manager. Some years later, Hiu established his own Hiu Ngi Fen Trading Company. His business flourished; at the same time, he started to produce a medical wine, Anggur Obat Cap Bulan. For his Cap Bulan factory, he imported via Dutch trading firms like Hagemeyer and Borsumij. In 1930, Hiu Ngi Fen was the first businessman in Medan to use an airplane to drop leaflets to promote his Cap Bulan. In 1939, Hiu opened the pharmacy Moon Apotheek under the supervision of a Dutch pharmacist, Mr Top. In the 1930s, he had business connections with Tan Kah Kee, the 'Rubber King' and Singapore tycoon Aw Boon Haw, the 'Tiger Balm King'. Tan Kah Kee's son-in-law, Lee Kong Chian, continued the rubber business and established the rubber factory Hock Lie in 1933 (Chang 1981: 122, 180).<sup>41</sup> As chairman of the Benevolent Organization for Southeast Asia, Tan Kah Kee appointed Hiu Ngi Fen in 1938 as its representative in Sumatra. With financial help from Aw Boon Haw, Hiu built a house for retired poor Chinese outside Medan. Hiu Ngi Fen was chairman of the Chinese Chamber of Commerce in Medan and sat on the board of the Su Tung Middle School. He passed away in 1977 (Lim 1964: 146–52).<sup>42</sup>

The last prominent businessman worthy of mention is Thio Siong Soe. Born in 1890 in Nan-an, Fujian, he came to Sumatra at the age of seventeen. In Medan, he established his firm Hock Seng Lie. He had coconut oil factories in Medan and Aceh as well as rubber and tea plantations. In 1934, he established the rubber factory Hock Lie, together with Lee Kong Chian, a firm which still exists in Medan. In later years, there was a marriage between the families. Thio was a supplier for several Dutch and British plantation companies, active in the Chinese Chamber of Commerce and he

<sup>39</sup> *Handboek*, 1911: 552; 1916: 1042.

<sup>40</sup> Mededeelingen Handelsvereniging Medan, 1921.

<sup>41</sup> *Handboek*, 1940.

<sup>42</sup> *SP*, 4 November 1935; *DC*, 11 November 1935; interviews with Hiu Kian Jin.

also sat on the board of the Su Tung Middle School. He died in 1967 (Lim 1964: 146–52).<sup>43</sup>

It is clear from the above that trading contacts between Medan and the British Straits Settlements were intense. Examples were the association Theng Bie Khong Hoi for sugar and rice traders and an association for rubber traders.<sup>44</sup> The importance of trading contacts with the Straits was shown when, after Chinese New Year, Chinese middlemen traders did not pay their Medan creditors but instead paid their creditors in the Straits and Hong Kong first.<sup>45</sup> Many Chinese firms in east Sumatra were focused on the import–export trade with Singapore or worked as agents of Singapore firms (Ong 1943: 65). When the price of plantation products went down in 1913, the Chinese and European trading houses in East Sumatra were indirectly affected. The Medan trading houses were mainly importers rather than exporters. The main plantation products (tobacco, rubber and coffee) were exported by the big plantation companies, not by the local firms. This meant that the prices of these products had no direct influence on the local Chinese businesses. In the Straits, on the contrary, there were many Chinese private planters and they were direct victims of the low prices of the plantation products.<sup>46</sup>

### The Penang Connection

The close relations with Penang were shown in different aspects. Besides the various forms of business collaboration, another link is via education. An important feature here was the preference for English language education to Dutch by the Medan Chinese. Anyway, there were not enough Dutch language schools. As a result, the pupils became English instead of Dutch orientated.<sup>47</sup> A factor why English was so popular was the intense trade of the Medan Chinese with Penang and Singapore. The language used for trade was English or Mandarin or Hokkien, not Dutch, which was only in use within the Netherlands Indies. Medan's trade with the Straits Settlements was more important than trade with Java (Suryadinata 1997: 83).<sup>48</sup>

In 1905, an Anglo-Chinese School was established in Medan started by an ex-student of the Anglo-Chinese School in Penang (Ward 1915). The school was connected with similar schools in the Straits Settlements and received its teachers from there.<sup>49</sup> In 1912, the Missionary Society of the American Methodist Episcopal Church sent missionary W. T. Ward, who had previously worked in Penang, to Medan. Ward established a Methodist school in the Chinese quarter which soon became very popular.<sup>50</sup> He played football with the Chinese, went out hunting, and rode his

<sup>43</sup> Information from Mr Thio Han Cheng.

<sup>44</sup> Information from Mr Thio Han Cheng.

<sup>45</sup> Verslag Handelsvereniging Medan, 1916.

<sup>46</sup> Verslag Handelsvereniging Medan, 1913: 17.

<sup>47</sup> *Andalas*, 30 June 1917 and 13 June 1918; *SP*, 30 September 1918.

<sup>48</sup> *SP*, 30 July 1913.

<sup>49</sup> *SP*, 6 August 1912.

<sup>50</sup> *SP*, 6 August 1912; De Bruin 1918: 103.

motorbike all over east Sumatra (de Bruin 1918: 110). Dutch language schools were less popular among the Chinese. District officer Ezerman wrote in 1923 that the only public Dutch-language school which never had to turn down pupils was the Dutch Chinese school in Medan. This was because the school met parents' requests for a curriculum that included English and Mandarin.<sup>51</sup> The *Sumatra Post* gave the example of the cinema tickets: 'The Tjong Koeng Tat cinema sold two thirds fewer tickets if they showed a film in Dutch without English subtitles.'<sup>52</sup>

The Chinese in east Sumatra requested English education which the Dutch Chinese school did not provide. In 1926, only 200 Chinese children went to Dutch schools from a total of 1,400 Chinese pupils. This situation in east Sumatra was very different from that in Java where the Chinese were more Dutch language orientated.<sup>53</sup> Civil servant Jansen stated in the *Municipal Gazette*: 'As the government does not sufficiently provide for the needs for education according to Chinese wishes, it will result that the new generation Chinese will be strangers in Netherlands India. It will be advisable to start English language schools where Dutch is part of the curriculum.'<sup>54</sup> In 1929, few Chinese in Medan spoke Dutch because of the many English language schools in town.<sup>55</sup> This link between Medan and the British Straits Settlements remained strong over the years.<sup>56</sup>

### Peranakan Chinese in Medan

Few Chinese were born in Medan; most were born in China resulting in relations with China in various forms, also among the Peranakan Chinese. The number of Dutch-speaking Chinese was low.<sup>57</sup> The definition of *totok* and *peranakan* is a fluid concept. What is *peranakan* for Java is differently interpreted in east Sumatra. The main characteristic distinguishing the *totok* from the *peranakan* is the extent to which the *totoks* keep up with their Chinese culture and language. Remarkably for Medan is the fact that the Hokkien dialect became the lingua franca above other Chinese dialects. In Medan, the Hokkien spoken is the same as that in Penang. In 1930, in East Sumatra 24.3 per cent of the Chinese were Hokkien (Jansen 1940: 11; Reid 2005: 396). The biggest Chinese group in Medan were and still are the Hokkien,<sup>58</sup> which is why their dialect became dominant in Medan. Elsewhere in Sumatra, this was not the case. In Aceh province, for instance, the Cantonese dialect is dominant. The majority of the plantation labourers were Teochew but they did not live in the city. That is probably the reason why Teochew did not become the dominant dialect in Medan.

<sup>51</sup> MvO ass. res. H. E. K. Ezerman, 1921; MvO controleur D. E. Pronck, 1923.

<sup>52</sup> *SP*, 26 January 1924.

<sup>53</sup> *SP*, 18 February 1926; MvO ass. res. W. P. F. L. Winckel, 1925, KIT 675.

<sup>54</sup> Gerard Jansen (Head of the Municipality Bureau for Ground Affairs), *Gemeentebblad*, 9 December 1925.

<sup>55</sup> MvO ass. res. afd. Deli en Serdang, S. Bouman, 1929, KIT 678; MvO controleur J. Reuvers, 1929, KIT 679.

<sup>56</sup> MvO controleur D. I. Pronk, 1923, KIT 670.

<sup>57</sup> Verslag betreffende de gemeente Medan over het jaar, 1922: s. 30.

<sup>58</sup> Interview with Chang Tung Yin, 26 November 1992.

In 1930, in the outer provinces, East Sumatra, Bangka, Billiton, and West Borneo, 75 per cent of the Chinese were China-born or *totok/singkeh* of the first generation. Only 25 per cent of the Chinese in the outer regions were second-generation or *peranakan* Chinese in 1930 (Jansen 1940: 15). In East Sumatra, in the period 1890–1940, there was a continuous influx of *totok* Chinese with the consequence that *totok* formed the majority of Chinese. De Bruin wrote in 1918 that the more progressive Chinese were the clerks and employees in European offices and banks, who spoke English and usually originated from Singapore and Penang, and the Cantonese originating from Batavia and Soerabaya, while Indonesia-born *peranakan* Chinese mostly worked in the bigger shops (de Bruin 1918: 109). The link between the Chinese in East Sumatra and their fatherland was much more intense than in Java. Many Chinese spoke and understood little of the Malay language and considered their stay in Deli as temporary. In 1926, according to district officer Ruychaver, the number of *peranakan* in relation to the *totok/singkeh* was much lower than in Java, more or less 1 to 4.<sup>59</sup>

Twang Peck Yang informs us that the old *peranakan* elite in Sumatra was replaced after the war by *totok* businessmen. The pro-Dutch *peranakan* businessmen lost part of their infrastructure and networks and had to give way to *totok* newcomers who cooperated with the Indonesian revolutionaries, especially in the field of weapon smuggling. Many Chinese *totok* newcomers became economically stronger as they cooperated more intensely with Indonesian business partners and later on, with the Indonesian power holders. The split between the *totok* and *peranakan* within Chinese society in the late colonial period became wider. For the European firms, the division between *totok* and *peranakan* was not important (Twang 1987: 276; Antons-Sutanto 2001: 36). If we look at the people discussed above like Khoe Tjin Tek, Hiu Ngi Fen, and Tjio Siong Soe, although *totok*, they can be viewed as old-style Dutch-oriented personalities who remained neutral in politics.

## Conclusion

Tjong A Fie and Tjong Yong Hian were the main players among the Chinese elite in Medan during the colonial period. They were in Deli at the right place at the right time. The brothers controlled the supply of goods like sugar and opium from the early days of the plantation industry in East Sumatra. Thus, they made their fortunes. As Chinese officers, they had seats in political bodies, knew the city planning in advance, bought crucial lands, constructed houses, and became big players in real estate. In most of their business undertakings like revenue farming, shipping, and banking they cooperated with Thio Tiauw Siat and thenceforth had close contacts with Singapore and Penang. In fact, the Penang connection was especially strong. Tjong A Fie's close business partners from Penang were Oei Soei Boe (Wee Swee Bee), Tjia Tjoen Sen (Cheah Choon Seng), Khoe Tjauw Tiong (Khoo Cheow Tiong), and Khoo Sean Kwe (Khoo Sian Ewe). Other important contacts were Tye Kee Yoon and Chung Keng

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<sup>59</sup> MvO controleur M. J. Ruychaver, 1926, KIT.

Kooi. Their biggest undertaking with Thio Tiauw Siat was the Swatow railway in South China.

The Tjong brothers' business partner in Amoy, Lim Nee Kar, became the father-in-law of two children of Tjong A Fie. After Tjong Yong Hian's death in 1911, Tjong A Fie succeeded his brother as Major. Long before the revenue farm system on Sumatra's east coast was abolished, Tjong A Fie had already acquired plantations. After Thio Tiauw Siat's death in 1916, Tjong A Fie established the Batavia Bank, together with the Batavia Major, Khouw Kim An. With his enormous wealth and philanthropic activities, Tjong A Fie became a legend during his lifetime. His successor Khoe Tjin Tek was not so high profile; nevertheless, at the time he became the Major, he had already made a fortune with his wood trading and housing construction firms, in cooperation with his cousin in Singapore. His Chung Hwa Shang Yeh Bank became one of the leading banks in the city. Many of the prominent Medan Chinese invested in this bank. Like the Tjong brothers, Khoe also invested in monopolies such as the gambling farm. Khoe Tjin Tek was the last Major, the role having ended with the Japanese invasion in 1942.

All of the prominent Chinese in Medan were members of the Chinese Chamber of Commerce and several became chairman. The Chinese Major was automatically chairman of the Chamber of Commerce, as well as being a member of the district council. Prominent Medan Chinese supported educational projects and some (such as Tjong A Fie and Tan Boen An) were active in local politics. They all supported their homeland China, during the Manchu dynasty and subsequently, the Republic. They sent donations in the event of natural disasters, received royal distinctions from the emperor, and later, personal letters of thanks from China's president Sun Yat Sen. At the same time, they loyally served the colonial government. Thus, like other prominent Chinese in Java and the Straits Settlements, the Chinese elite in Medan were loyal to two masters. On the one hand, they played their role in the development of Medan via intermediate trade, housing, banking, plantations, international networks, and links with the Straits Settlements, and on the other, they supported their homeland China.

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