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From Labuhan Deli to Belawan: The Removal of Harbor in Medan during the Dutch Colonial Period of 1863-1942

Suprayitno¹, Ratna¹, Rohani Ganie², Handoko¹

- ¹Departement of History, Faculty of Cultural Science, USU, Medan, Indonesia
- ²Department of English Litterature, Faculty of Cultural Science, USU, Medan, Indonesia nisanaceh@gmail.com

Abstract

One of the effects of industrial development in plantation is the development in shipping and trade. Before the existence of plantations in East Sumatera, shipping and trade in Medan were centered at Labuhan Deli, as a river seaport. Periodically, shipping and trade activities at Labuhan Deli were in export and import from and to Malaya Peninsula (Penang and Malacca) and Singapore. The growth of plantations, of course, needed effective and efficient transportation. After the economy grew and was developed, Labuhan Deli as a river seaport was considered not effective and efficient anymore since ships with large cargoes could not sail on the river. Therefore, the Netherlands East Indies Government made a policy to build a new seaport which was located by the seaside in order to make loading and unloading goods easier. The Netherlands East Indies Government finally selected Belawan to be a new seaport for Medan. The research problems were as follows: how was the existence of Labuhan Deli by the policy of the Netherlands East Indies Government in moving the seaport to Belawan and what was the reason? How were the shipping and trade in Belawan seaport? These questions would be discussed in this research by using archives as the source and several writings published in Medan during the Dutch colonial period. The objective of the research was to describe the economic condition of the plantations which could change various aspects, specifically in shipping and trade. The research used historical research method which largely used archives from the Dutch colonial period, especially the statistics of shipping and trade, and the reports from BOW (Public Works Agency).

Keywords

Labuhan Deli; Belawan; plantation; shipping and trade



I. Introduction

A harbor is a seaport which is equipped with buildings such as wharves and moorings with all of their equipment to serve cargoes and passengers. The development of seaports in Indonesia used to be ledges or riversides where ships and boats could moor and drop their anchors in order to do shipping activities. Seaports or harbors are always interested to be studied because they are functioned as seaward gates where merchants meet and market their merchandise such as commodities from the land to be exchanged with the commodities from foreign countries. The development of these activities has brought about great effects on seaports in the economic, cultural, social, and political factors. This condition occurred in Belawan harbor which became a big seaport in the east coast of Sumatera. Its existence was initiated by the railroad company, Deli Spoorweg Maatschappij (DSM) in Deli. The purpose of establishing Belawan harbor was to facilitate the transportation of plantation products.

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In the pre-development of Belawan harbor, shipping and trade activities at Deli was at Labuhan Deli, but Labuhan Deli could not survive due to sedimentation which came from the Deli River. Besides that, the reason for moving the seaport from Labuhan Deli to Belawan was about the economic factor in which the economy of the plantations rapidly developed so that it needed a wide area to do export and import activities. The establishment of Belawan harbor was intended to make steamers easy to moor so that plantation products from several plantations at the hinterland could be easily transported by trains. The policy of the Netherlands East Indies Government on establishing Belawan harbor as the main seaport in East Sumatera Residency also had the influence on the other islands or neighboring places (foreland) to send their plantation products to Belawan harbor.

II. Review of Literature

A method usually used in the research on history is a historical approach. In a historical approach, there are some stages which include heuristic (gathering sources), verification (source criticism), interpretation, and historiography (writing). These four stages are very important because they provide us (teh researchers) guidance in completing our research. The first stage is gathering sources of data. The gathered sources are historical data which are kept in the ANRI (National Archives of Republic of Indonesia) and the PNRI (Indonesian National Library), and both of them were located in Jakarta. Besides getting the data from these two libraries, we also obtained the materials which highly supported the writing of this research from Tengku Lukman Sinar Library, the University of Sumatera Utara Library, and the Regional Library of North Sumatera Province

III. Discussion

3.1 Labuhan Deli in Pre and Post Colonial Period

Labuhan Deli was the central government of *Kesultanan Deli* which also functioned as a seaport and was located a half mile the downstream of the estuary. The name of Labuhan was actually closely related to the name, *Sungai Labuhan* (the Labuhan River), the river where boats moored; it was also the other name of *Sungai Deli* (the Deli River). The urban structure like this was very identical with the other traditional Melayu monarchies in Sumatera. This system was established because there was the authority in the strategic area or downstream which was crowded for commercial activities. Merchants from the upstream who wanted to sell their agricultural and forest products would be charged with excise tax. The same was true to the merchants who came from the other islands (foreland) and wanted to purchase the commodities; they would be charged with excise tax, too. From these taxes, the authority was established which would eventually establish Melayu traditional monarch.

After VOC was closed down by the end of the 18th century, merchants kept on doing their trade with the other islands so that by the 1800s the East Coast of Sumatra began to be taken into consideration by the British since there were many peppers and the other commodities bought and sold in Penang. In 1819, the authorities in Deli, Serdang, and Asahan began to correspond with the British Government in Penang; they wanted to increase the relationship with the British Government in Penang. At the same time, the Netherlands East Indies Government had defeated Riau, Malacca, and Padang and intended to control the seaports in Sumatera in order to increase its trade. This movement could threaten the position of indigenous authorities. The Deli, Serdang, and Asahan monarchies considered that

it was more profitable to make close relationship with the British Government in Penang than with the Dutch Government.

Knowing about this, the Secretary of EIC Governor in Penang wrote a letter to R. Ibbetson, one of his staffs in 1820. In this letter, it was implied that it was the appropriate time for EIC to make relationship with the local monarchies around the Malacca Strait (the East Coast of Sumatera) in order to take advantages from the mutual trades prudentially. In this letter, it was also revealed that there was an order to visit the areas from Tamiang in the north to Jambi in the south. In January 16, 1823, Anderson arrived at Deli after he had visited Bulu Cina. From his observation, Anderson found out that many people had high skill in making ships and boats in Deli. The biggest and the most complete ship was called *penjajap*. Besides being skilled in making ships and boats, the natives were also skillful in doing business in Deli. Many people caught fish like sharks or *juparang* which was sold to Chinese traders to be used as medicine. Anderson also found out that the exported commodities in Deli were agricultural and forest products.

Agricultural and forest products exported from Deli were peppers, rice, tobacco, dried (salted) fish, gambier, camphor, wax, horses, slaves, sulfur, gold, and ivories. Imported merchandise which was unloaded at Labuhan Deli consisted of various kinds of cloth, opium, earthenware, guns, gunpowder, and salt. In 1822, there were about 1,000 *koyan* or about 26,000 *pikuls* of peppers exported from Labuhan Deli, while rice was only consumed by the local people and not to be exported; it would be exported when it had been surplus. On the other hand, when the weather was bad which could affect harvest, Deli would import rice from the other areas such as Asahan and Batubara. All commodities exported from Labuhan Deli were sent to the seaports of Penang, Malacca, and Singapore, and vice versa. The activities of trade and shipping at Labuhan Deli were handled completely by a harbormaster. When Anderson visited Labuhan Deli, the harbormaster of Labuhan Deli was Ahmed who managed all activities of trade, either import or export. The official who collected excise tax in Deli was called, a *mata-mata*, a woman named Che Laut or Cik Laut.

The Dutch had controlled most of the east coast of Sumatera through *Traktat Siak* (Siak Treaty) on February 1, 1858. One of its contents was that Siak Monarchy, along with all its colonies, became a part of the Netherlands East Indies Government. In 1863, the Netherlands East Indies Government appointed a controller at Labuhan Deli. The first controller, J.A.M de Cats Baron de Raet, had made a policy which gave a lot of advantages to the trade at Labuhan Deli. One of his policies was the reconstruction of warehouses for storing commodities; the warehouses had burned down completely before he was appointed as the controller. He did this merely to restore the trade. Along with his policy, many people built stores or retail stores to make the market more crowded. The store houses were then permanent as brick houses which were in order in the form of row houses from the left to right along the roads. The majority of the merchants who built and resided in these store houses were the Chinese who were about 1,000 people. Cats Baron de Raet had been the controller of Labuhan Deli for about four years, and he had recorded the trade activities at Labuhan Deli which were rapidly increasing, especially in forest and agricultural products. Both export and import were rapidly increasing.

3.2 Moving to Belawan

Since the transportation facility was considered as inefficient and ineffective, the Deli Maatschappij requested a concession from the Netherlands East Indies Government to give permission for the operation of railroads in Deli to transport plantation products. The plan of Deli Maatschappij to construct railroads was to connect plantations in the hinterlands of Deli, Serdang, and Langkat with Medan and seaport for facilitating transportation. The plan to

construct railroads, initiated by Deli Maatschappij was projected in such a way so that the commodities could be directly unloaded from the steam ships to the trains, and vice versa.

The project was approved by the Governor General in Batavia. It was begun by performing feasibility study on location, including soil structure, the depth of the sea, waves, wind blowing, etc. After the location was considered appropriate with the criteria of building a seaport, warehouses, buildings, and other facilities, the construction was started. In line with the project, railroad from Medan to Labuhan began to be constructed in 1883 and finished in 1886. Meanwhile, the construction of railroad station of Belawan harbor was constructed in 1887, based on the approval of the Governor General, while warehouses and customs houses were officially used on October 10, 1887. The construction of railroad kept going. The railroad which was officially used in 1886 was extended to Labuhan; therefore, in order to support transportation activity, auxiliary railroad was constructed from Labuhan to Belawan, and it could be finished in 1888.

After the construction of supporting facilities could be finished according to what had been projected, the experiment of loading and unloading to the steam ships in Belawan harbor was performed in January 5, 1888, and the train was begun to be used. In this experiment, loading and unloading activities were free of charge, but after the customs house was officially used in Belawan harbor in 1889, tariff for excise tax was imposed on any merchandise which was loaded and unloaded in Belawan harbor which itself was officially and completely operated in 1890, and the activities of shipping and trade were moved from Labuhan Deli to Belawan. Labuhan Deli was still used as a seaport although it was only the seaport owned by Kesultanan Deli, and small ships or boats could still moor on it.

3.3 Management of Belawan Harbor

As a new seaport which was prepared for regional and international shipping, Belawan harbor had to have supporting facilities for seaport activities. The facilities which had to be provided for Belawan harbor were wharf, *haventerrein* (open space for piling goods), warehouses which were managed by the government or by private companies, seaport offices and private company offices, and residence for employees and longshoremen. Besides that, facility and infrastructure needed for a seaport were ducts, lighting, cranes, dredging machines (*baggermolen*), etc.

Since the removal of Labuhan Deli to Beawan, the first thing which had to be done by the Dutch colonial government was constructing facility and infrastructure as the supporting facilities of a seaport. As it has been mentioned above, in reality, it was the private company that first built the facility and infrastructure in Belawan harbor. The *Ocean Steamship Company* began to build some warehouses as the storage for goods before they were loaded to ships. The *Deli Spoorweg Maatschappij* built the space for stockpiling goods transported from plantations. Meanwhile, the construction of *tolkantoor* (customs house) was done by the government of East Sumatera Residency.

As a seaport which was often visited by big, medium, and small ships, Belawan harbor had to provide a wharf for the ships which wanted to moor. Besides being used as the moor for ships, it was also functioned for the activities of loading and unloading goods which were carried by ships to their destination. A wharf is the most important facility for seaport activities.

At the beginning of the construction of Belawan harbor in 1883 and finished in 1888, it was private companies which actively played their role in the construction. DSM was the first company which built Belawan harbor. The construction of the wharf by DSM was in accordance with the construction of railroad from Labuhan to Belawan. Even though it was functioned as the place for goods stockpiling, the wharf constructed by DSM was the first one

constructed by a private company. This wharf was built to expedite the construction of Belawan harbor after the project had been requested by DSM and Deli Maatshappij to the central government in Batavia in 1883.

In the next development, the wharf which was constructed by the government and a private company was finished in 1887 with the total length in the neighborhood of 410 meters, 160 meters of it was constructed by a private company and 250 meters of it was constructed by the government. The wharf or apron constructed by the government would be rented by private shipping companies which ships wanted to moor and did loading and unloading activities, whereas the wharf constructed by the private company would be used as temporary stockpiling of commodities which would be loaded to ships. For example, the wharf constructed by DSM was intended to be used as the place for stockpiling commodities transported from the hinterlands (plantations). Not all commodities transported by DSM would be piled on the wharf; some of them would be stored in warehouses, on the space available for stockpiling, and on the wharf constructed by the government.

The activities on this wharf went on until 1916 when the port authority realized that the harbor more crowded. Therefore, the length of the wharf which used to be 410 meters was added with 257 meters so that the total of its length was 667 meters. Of the 667 meters, 460 of them were owned by the government and 207 of them were owned by private companies. The extension of its length was caused by the estuary of the Belawan River which became shallow so that sailboats could not pass to do loading and unloading activities.

Another important equipment as the facility which could support seaport activities was warehouses and open space for piling goods. Warehouses were used for storing goods in the long term. They were usually built far from the wharf since the space on the wharf was limited, and it was used for loading and unloading commodities. The role of a seaport as the place for loading and unloading commodities was closely related to the movement of commodity transportation from plantations to the place where they were stored, either in the plantations or in the seaport.

This indicated that a warehouse played its role in accommodating the number of goods which had to be loaded to ships and to distribute them to the ships because the ship schedule was not always punctual so that the heap of goods became bigger on the harbor. It indicated that the value of goods would be lessened if they were kept too long and their economic value also decreased.

One of the methods to cope with the problem of storing goods which would be loaded to ships was building warehouses for developing business capital. Therefore, the authority of Belawan harbor as *bedrijfhavens*, a seaport which was managed as a business by the government, built warehouses to be rented to trading companies, shipping companies, and other companies. The construction of warehouses was conducted in the area of the seaport.

In building warehouses, the port authority only provided a number of lots of land about 3,953 square meters. Of the 3,953 m², 1,857 of them were sold to private companies that were happy to receive the offer since East Sumatera had good prospect in economic development. Many private companies built warehouses in Belawan harbor, including DSM and a trading company, *Güntzel en Schumacher* which constructed a warehouse in Belawan harbor in the area of \pm 45m². This construction was intended to store goods and other commodities from the plantations such as rubber and tobacco in order to keep their quality well.²²

Some of the Chinese trading companies also built warehouses and office buildings in Belawan harbor. Concession was obtained in 1914 from the Director of Belawan harbor, the Director of *Burgerlike Openbare Werken* (Public Works), and the Director of *Binnenlandsch Bestuur* (Department of Internal Affairs). The companies or firms owned by the Chinese were

Khoe Tjin Tek, Toe Laer and Co, and Van Nie en Co. There was also a company owned by a Malayunese, Perusahaan Dagang Akeb.

Trading company, *Koe Tjin Tek*, rented a plot of land in the area of 60 square meters with the total area of 1,560 m², located at *Ataphaven*, Belawan. *Van Nie en Co* rented a plot of land in the total area of 880 m², located close to the space for piling goods in Belawan harbor. The warehouse constructed by this company was divided into two parts: one of them used lumber, while the other one used iron.

Trading company, Toe Laer en Co., rented a plot of land to build a warehouse and an office building with 30 meter width and the total area of 780 m², located at Ataphaven, Belawan, exactly in the middle position between the space for piling goods and the wharf. The trading company owned by the Melayunese, Perusahaan Dagang Akeb, rented a plot of land with the total area of 1,100 m² to build a warehouse, located at *Ataphaven*, Belawan.²⁵ Besides warehouses of trading companies, there were also warehouses owned by shipping companies such as Rotterdamsche Lloyd, and Koninklijke Paketvaart Maatshappij, and the other shipping companies which built warehouses as the place for piling their merchandise in Belawan harbor. The other companies which built warehouses in Belawan harbor were oil companies such as Standard Oil Company of New York and Bataafsche Petroleum Maatshappij (BPM). These companies also acted as the suppliers which supplied oil to ships which moored in Belawan harbor. The total of the whole area of warehouses in Belawan harbor was 60,000 m², stretching from the wharf to the open space as the place for piling goods. There were also several other facilities such as stores and food stalls which were located at the area of Belawan harbor. The number of stores and food stalls was in the neighborhood of 20, located scattered from residence to *Pelabuhan Atap*, Belawan.

Pelabuhan Atap was also equipped with facilities such as warehouses, a wharf, and railroad tracks which were functioned to transport atap to various tobacco plantations. It was usually visited by big or small ships which sent or delivered merchandise to each destination in East Sumatera where there were many tobacco plantations. The construction of this seaport was completed in 1904. Before this year, the activities of export and import were done in Belawan harbor. The construction of this new seaport was intended to lessen the crowded activities in Belawan harbor where a large number of goods were piled up in warehouses and on open space of the harbor.

The role of organizational structure highly determines the success of a company in supporting its management well. The success is closely related to a company's organizational structure because, in reality, this structure performs the company's operation, its policy and its decision. Organizational structure disperses horizontally and vertically. Vertically means that a company performs the operation, maintenance, and assignment so that it can operate smoothly, effectively, and efficiently, while horizontally means that it performs them by involving public service.

Service and function of a seaport as the center of export and import activities cannot be separated from an organizational structure. In this case, Belawan harbor served export and import in East Sumatera which was continuously increasing each year. The increase was in accordance with the increasing demand for exported plant products. The more the demand was, the higher the commercial activity. But it had to be followed by good planning and clear and guided organizational structure.

The motivation of managerial planning of Belawan harbor was clearly seen in its organizational structure which had clear line of authority so that the opportunity to commit fraud is small. Guided supervision indicates that decision making should comply with vertical line. The implementation of regular task and work can be seen in employees so that the directors have the work according to their functions. It means that the organizational structure

of the management of Belawan harbor could be seen clearly since it had been organized with the task and function respectively.

The management and operation of Belawan harbor were organized according to its respective formation. Strategic formations or positions were usually held by the European while the positions which did not need non-strategic or unimportant decision making were held by the Asian or local people. Experience became the main reason for appointing a person to occupy a prominent position, especially higher or medium positions, while the position which needed physical strength and low skill would be held by Asian people or indigenous or local people.

As a comparison, there were 78 Europeans who worked for Belawan harbor while there were 153 local workers; it did not include numerous longshoremen. This indicated that foreign employees were only needed in the prominent positions such as directors, managers, accountants, etc., while Asian and local workers were needed in manual work.

In 1925, the seaport Director was held by Ir. K.K.J.L. Steinmetz while the secretarial position was held by A.W.A. Last. Class 1, Class 2, and Class 3 Engineers were held by Ir.L. de Vogel, Ir. W. J. G. Paardekooper, and Ir. F. A. W. Meijneken respectively. Accounting position was held by C. G. A. Stikkel, and managerial position was held by J. F. A. Steffen. The supervisors were H.G. Gerrits as the head supervisor and E.G., Tobijn as supervisor Class 1. These positions could be changed and developed according to situation and condition. It was noted that in 1924, Ir. W. J. G. Paardekooper replaced Ir. de Wolff because the latter was rotated to *Departemen Binnenlandsch Bestuur*. By the end of 1925, Ir. F. A. W. Meijneken as the engineer Class 3 was moved to Semarang harbor with the same position as a seaport engineer.

Middle and low positions were held by the European, the Dutch, the Asian, and local people in which the evaluation was done each year. Supervision on employees and workers was done to create effective management of Belawan harbor. There was no deadline when a certain position would be changed since the procedure of replacing employees and workers was based on their performance. However, this rule was not concerned with contract laborers who did physical work. A committee, *Commissie van Bijstand*, was established in big seaports of the Netherlands East Indies Government which was intended to create modern management. The committee was functioned as the Advisory and Conference Council in developing seaports.

In Belawan harbor, this aid committee consisted of government agencies and private companies that had the interest in developing Belawan harbor. In the government agencies, the aid committee consisted of various agencies such as *Departement der Marine* represented by the Harbormaster and *Departement Financiën* represented by the Head of *Kontrolir Duane*, the representatives from local government, *Asisten Residen* Deli and Serdang. Meanwhile, in private companies, it consisted of various plantation companies, transportation, and shipping. Besides that, it was also represented by plantations and trade organizations.

3.4 Development of Belawan Harbor

As a new seaport which was prepared for regional and international shipping, Belawan harbor had to have supporting facilities for its activities. Some facilities which had to be provided by the seaport authority were wharves, *haventerrein* (open space for piling goods), warehouses which were managed by the government or private companies, office buildings and private companies, and housing for seaport employees and longshoremen. Besides that, facility and infrastructure needed by a seaport were water pipe lines, lighting, tugboats, *baggermolen* (dredger), etc.

Since the beginning of the removal of Labuhan Deli to Belawan, the first thing which was done by the Netherlands East Indies Government was building facility and infrastructure as the seaport supporting activity. As it has been mentioned above, it was private companies which firstly built facility and infrastructure in Belawan harbor. The Ocean Steamship Company constructed some warehouses as the places for piling merchandise which would be loaded to ships. The Deli Spoorweg Maatschappij (DSM) constructed a wharf and haventerrein (seaport open space) for piling commodities transported from plantations in Belawan harbor. The construction of tolkantoor (customs house) was done by the government of Keresidenan Sumatera Timur (East Sumatera Residency).

As it has been mentioned above, Belawan harbor began to be operated in 1890. The removal of Labuhan to Belawan was initiated by many people because of the rapid development of plantation industry which produced plantation commodities. The commodities were exported to the United States and Europe. The activity of export needed efficient and effective delivery, and a seaport was highly needed in accommodating many ships with big volumes.

The development of plantation industry in East Sumatera was followed by the development of export and import activities in Belawan harbor. Actually Belawan harbor could accommodate the activities of export and import of plantation products, but, in reality, it was not able to accommodate all commodities since there were many plantations in East Sumatera which relied on it as the place for sending the commodities to various destinations. In consequence, there was an abundance of commodities piled up on the open space since the warehouses had been full. Therefore, the management of Belawan harbor lodged a request to the central government in Batavia to extend the seaport.

After the license to extend the seaport was obtained from the central government in Batavia, the extension of Belawan harbor began by clearing up undergrowth and swamp at the east side of the Belawan River which were dumped to build some warehouses, wharf, and open space for piling goods. It was not known how many meters were needed to extend the seaport, but for extending the length of the wharf and warehouses, the area which was needed to be extended was about 667 meters with the total of 10,080 meter square.

The impact of the extension of Belawan harbor and the construction of warehousing complex, open space for piling commodities, and a wharf was that the management of DSM had to move its station in Belawan harbor. The director of BOW (Public Works) requested to DSM to move the station, along with the railroad tracks which passed the extension project to the east side. The management of DSM felt that they suffered financial loss by the removal of the station since they had just completed the construction in 1888. The government then gave 142,000 gulden as the compensation.

3.5 Trade in Belawan Harbor

Export and import activities in Belawan harbor had actually begun since 1887. Trade through this seaport had been done by Chinese traders in Penang and Singapore, while the government and plantations still used Labuhan Deli seaport even though the construction of Belawan harbor was completed. Labuhan Deli seaport was still used because Belawan harbor was not ready yet to accommodate commodities and to do export and import activities.

After Belawan harbor was ready to activate its operation in 1890, export and import activities were then moved to Belawan harbor. This removal was based on the request of plantations and transportation since Labuhan Deli seaport could not accommodate a great number of export and import commodities anymore. Belawan was then selected as the seaport since it was located by the seaside. In the early experimental year, there was no excise tax imposed on shipping and trade. Three years later, in 1893, excise tax began to be imposed

on ships which carried exported and imported merchandise. In that same year, Belawan harbor was filled with shipping companies which carried plantation products, especially tobacco. In the early 1906, the use of Belawan harbor as the facility for exporting plantation commodities increased which was indicated by the overflow of commodities so that warehouses were not able to accommodate them. In consequence, a great number of commodities were piled up on the open space which caused their quality to decrease. To handle this problem, the government extended the seaport area by constructing new warehouses and extending the wharf which could be functioned as the place for piling up commodities.

As it has been explained in the previous sub-chapters, most of the quantities of export and import in Belawan harbor were plantation products and their supporting commodities such as staple goods and others. Besides plantation products, Belawan harbor also exported processed fish products, forest products, and agricultural products (see table 1). From Table 1, it was found that the export of salted fish was stopped in 1915 because actually the center of fishery in East Sumatera was not in Belawan but in Bagan Siapi-Api and the other small seaports in East Sumatera such as Tanjung Balai, Labuhan Bilik, Tanjung Tiram, etc. The quantity of exported salted fish in Bagan Siapi-Api seaport was big so that it was decided that it would be used as a fish seaport by the Netherlands East Indies Government, while Belawan harbor was concentrated on the export of plantation products in East Sumatera.

V. Conclusion

An Ideal place for a seaport is the location which is protruded to a river or on a mouth of two rivers. Many traditional seaports were located in that position, like Labuhan Deli where merchants got together bartering or exchanging their merchandise to the other goods. This condition was becoming increasing, and because of the authority, Labuhan Deli became a seaport which location was far from the estuary. It began to function as a seaport until the Dutch colonial period. Eventually, the government decided to move export and import activities from Labuhan Deli to Belawan.

The reason for the removal was that Labuhan Deli was not ideal anymore for big ships to moor on it since the river was becoming shallow due to sedimentation. Besides that, the rapid development of plantations needed a bigger seaport which could accommodate the large number of plantation products. Besides geographical and economic background, the removal of Labuhan Deli seaport was caused by political reason – the removal of the central power from Labuhan Deli to Medan which indirectly affected the decline in commercial activity in Labuhan Deli.

Belawan harbor was located in the mouth of two rivers – the Belawan River and the Deli River. The selection of Belawan to be a new seaport was started by conducting feasibility study. Small waves, protected from strong wind, and solid soil contour were the other reasons why Belawan was selected as the new seaport. Belawan harbor was operated by applying seaport management from the Netherlands, and it was extended each year since plantation production was continuously developing so that a big seaport was needed to accommodate a great number of commodities.

Since Belawan harbor was operated, trade and shipping in East Sumatera had undergone rapid development which could not be separated from the role of buffer zones in hinterland and from foreland. These two buffer zones had indirectly made Belawan harbor more developed. The hinterlands of Belawan harbor were plantation areas connected with

railroad tracks so that they made the harvesting products transported easier to Belawan harbor. The forelands of Belawan harbor were small seaports in East Sumatera and two international transits – Penang and Singapore.

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