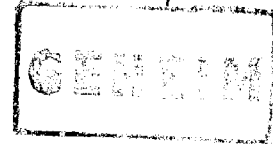


23 februari 1959

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Land: Indonesië.

Onderwerp: The illegal barter affair of the Army.

Referenties:

Datum van waarneming: Tweede helft januari 1959.

Bron: Betrouwbaar.

Subbron: Beschikt over goede contacten in officiële en zakelijke Indonesische kringen.

Opmerkingen:

Verzonden aan: de Minister van Buitenlandse Zaken.

Aan Zijne Excellentie Prof. Dr. L.J.M. BEEL  
Minister-President

Plein 1813 no. 4

's-GRÁVENHAGE.

## Indonesia

THE ILLEGAL BARTER AFFAIR OF THE ARMY

The announcement by Army Headquarters of Col. Ibnu SUTOWO's suspension and the involvement of the Lt.-Col.'s SUKENDRO, DACHJAR and SUKARDJO in the illegal barter affair was reason for DACHJAR to urge SUKENDRO to arrange a meeting with President SUKARNO.

In the afternoon of January 6, SUKENDRO accompanied DACHJAR and SUKARDJO to the President to explain their part in the barter affair. They told the President that the smuggling from Palembang and Djakarta to Singapore had taken place on instructions of the Deputy Chief of Staff Gatot SUBROTO and Col. Ibnu SUTOWO after Lt.-Gen. NASUTION's consent had been obtained. DACHJAR also informed the President of smuggling from Makassar and other places.

The same evening President SUKARNO summoned Lt.-Gen. NASUTION. Discussions led to a promise by NASUTION that no disciplinary action will be taken against DACHJAR and SUKARDJO. However, NASUTION stuck to his decision to transfer DACHJAR and SUKARDJO to another post.

On January 7, the Military Command of Djakarta issued an announcement, drafted by Lt.-Col. DACHJAR himself, saying that he was not guilty of illegal barter trade and that he had merely carried out the instructions of his superiors.

DACHJAR's announcement annoyed the Army Chief of Staff very much but no action was taken on account of the embarrassing nature of the whole affair.

NASUTION feels that he has been betrayed by SUKENDRO, because it was on SUKENDRO's instigation that the illegal barter trade was started to help

get the Military Intelligence to get funds for its operations abroad. It is true that Col. Ibnu SUTOWO had expanded the barter trade for the purchase of arms and military equipment, but that does not alter the fact that SUKENDRO and SUKARDJO played an important part in the affair, while DACHJAR cooperated of his own free will. NASUTION is now certain that SUKENDRO and DACHJAR are pro-SUKARNO-men.

In fact President SUKARNO needs NASUTION very much and fears him. On the other hand, NASUTION makes use of SUKARNO to carry out his orders.

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Tweede helft januari 1959.