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Land: Indonesië/Sino-Sowjetblok.
Onderwerp: Economic and cultural penetration by the Sino-Soviet bloc.

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Datum van waarneming: Medio april 1959.

Bron: Betrouwbaar.

Subbron: Een betrouwbare Indonesiër die lid is van de PSI.

Opmerkingen:

Verzonden aan: de Minister van Buitenlandse Zaken.

Aan Zijne Excellentie Prof. Dr. J.E. de QUAY
Minister-President

Plein 1813 no. 4

's-GRAVENHAGE.

3 juni 1959

U 4976/59 - C 46 - 84/1959

INDONESIA/SINO-SOVIET BLOC

Economic/Political

GENEIM

Economic and Cultural Penetration by the
Sino-Soviet Bloc. (March/April 1959)

1. Import of Sino-Soviet Literature

The Indonesian authorities during March 1959 twice investigated the affairs of a bookshop in Djakarta called the 'RADA' Bookshop which had been selling large quantities of Soviet and Chinese books and pamphlets. The authorities considered that the books had not been imported through the regular trade channels. The authorities had heard that a member of parliament, SIRADJUDDIN ABBAS of the Perti Party (Islamic Party), and a member of the National Council, Mrs. RASUNA SAID, had been receiving quantities of Chinese books from abroad and had been selling them through the 'RADA' Bookshop. So far the Attorney General's department has not taken any legal action against either the bookshop or the two persons mentioned above.

2. Trade with China

On the 13th March, 1959 the Minister of Trade, RACHMAT MULJOMISENO, told an Indonesian journalist that in 1958 the Indonesian Government concluded a contract with the People's Republic of China for the export from Indonesia to China of 8,000 tons of rubber. However on the 2nd March 1959 the contract was nullified, because the C.P.G. demanded rubber only of first grade quality. Indonesia had intended to deliver people's rubber (rubber produced by small holders as opposed to the estates), large quantities of which had accumulated. First grade rubber was easy to dispose of anywhere in the world. The Minister said he hoped that discussions would be renewed later on.

3. The Minister went on to say that the C.P.G. had already indicated its willingness to conclude a contract with Indonesia for further sales of rice to Indonesia during 1960 amounting to between 200,000 and 300,000 tons. The C.P.G. had given a guarantee that prices would not be higher than prevailing world prices. The Indonesian Government had postponed a decision on this point because it wanted to watch the world price position of rice.

4. Soviet Offers of Economic Assistance

The President of the Commission for the peaceful use of Atomic Energy, Mr. SUDJARWO TJONDRONEGORO, told an Indonesian journalist on 13th March that the Soviet Union had made an offer to Indonesia to set up a small scale atomic reactor in Indonesia, provided that the rupiah expenditure was provided by the Indonesian Government. The cost would have been about US\$40 to 45 million. The offer has been refused by the Indonesian Government because of the expense and because there were other more important projects waiting execution.

5. The Presiding Director of the film studio PERFINI, USMAR ISMAIL, told a journalist friend of his on the 14th March that the Soviet Union hoped to have at least 30 Soviet 'story' films circulating in Indonesia during 1959. Conditions, including price, would be made very easy. USMAR thought that it was highly likely that the Soviet Union would succeed since the import of films was difficult and great profits were to be made by distributors. The Indonesian Government did not object to the import of Soviet films. He stated that the number of films given above did not include films from the Chinese People's Republic and from other communist countries.

6. The Head of the Trade (Economic) Section of the Ministry of Foreign Affairs, Mr. ISMAIL TAJIB, told a journalist friend on the 6th April, 1959 that the decision to conduct discussions between

/Indonesia and

Indonesia and the Soviet Union about increasing the volume of rubber exports to the Soviet Union from 12,000 tons to 14,000 tons annually was taken purely out of self profit motives and not for political reasons. Mr. TAJIB thought that this would not harm trade contacts with the West. He added that discussions about the export of other land produce, such as copra, would probably also be held.

7. The Deputy Chairman of the Olympic Games Committee, Mr. MALADI, told an Indonesian journalist friend on 19th March that Soviet experts would be used to build the Stadium for the Asian Olympic Games in Djakarta because of the extremely easy terms laid down for their employment. While they were in Indonesia payment in rupiahs only would be made which would be a great saving in foreign currency. The experts concerned were also fully qualified, since they had had similar experience in Burma. Their plan of construction indicated that the work would be carried out quickly. They were also easier to deal with as they fitted in with Indonesian suggestions and did not merely follow their own wishes. MALADI added that there was no intention of permitting the Soviet Union to participate in the Games.

8. On the 2nd April the Minister of Public Works, P.M. NOOR, told a journalist friend that the three Soviet experts now in Indonesia for the purpose of constructing the Olympic Games Stadium, had made an offer with easy terms to construct airfields in Borneo. They would be able to provide the equipment themselves. The offer was still being studied by the Government. The Minister added that the experts had also offered to open a canal between the rivers in Borneo as previously planned by the Government. In spite of the good terms of this offer, it was probable that it would be rejected because the Government had already ordered equipment from abroad for this purpose.

/9. The Minister

9. The Minister of Finance, SUTIKNO SLAMET, told an Indonesian journalist friend on the 2nd April that the Soviet Union had asked the Government of Indonesia for permission to open a branch of the Soviet "Bank Sentral" in Djakarta on the grounds that trade between the two countries had increased considerably. The request had been made about three months ago, but had not yet been answered by the Government. The Minister thought that the request was likely to be refused because it did not seem essential that such a branch should be established. In addition if the Soviet Union opened a Bank in Djakarta, it was probable that the Americans would put in a similar request.

10. The Secretary General of the Ministry of Foreign Affairs, SUWITO, told a journalist friend of his on the 3rd April, 1959 that the Soviet Union would soon appoint an Agricultural Attaché to their Embassy in Djakarta with the object of intensifying their assistance to Indonesia in the agricultural field.

11. Trade with Czechoslovakia

The Minister of Agriculture, Mr. SADJARWO, told a journalist friend on the 7th April that the Czechoslovak Government had offered credit amounting to about 34 million Rupiahs for the purchase of tractors from Czechoslovakia. The credit was a short term one of three years. The offer was in addition to previous agreements.

12. Economic Assistance from the D.R.V.

The Minister of Foreign Affairs, Dr. SUBANDRIO, told a journalist friend of his on 19th March that the Democratic Republic of Vietnam had offered economic assistance to Indonesia of about US\$20 million for the purchase of rice from the D.R.V. This sum could be repaid over a period of 10 years with an interest of 2½%. The Foreign Minister had passed this offer on to the departments interested for discussion, but did not know whether any decision had yet been reached.

/13. Visits of

13. Visits of Indonesian Officials to the Soviet Bloc

Dr. SUBANDRIO told the same journalist on the 15th March that the purpose of Prime Minister DJUANDA's visit next July to the Soviet Union was mainly to strengthen the bonds of friendship between the two countries. DJUANDA would probably also discuss the question of a multi-purpose credit amounting to more than US\$.300 million for a long term of about 20 years. The Foreign Minister said that it was not true that there were fears in some quarters that DJUANDA's visit would make Indonesia's position difficult, especially in view of the present attitude of the NASSER Government. NASSER himself had received a great deal of assistance from the Soviet Union. President SUKARNO agreed fully with DJUANDA's visit.

14. The Prime Minister himself told an Indonesian journalist on the 16th March that his Government did not think it necessary now to conclude a treaty of friendship with the Soviet Union, because the present system of co-operation was proving most valuable. He did not intend to discuss the subject of such an agreement in Moscow. What would be discussed was the possibility of expanding economic and cultural relations between the two countries, and also technical assistance from the Soviet Union. When asked about a credit, he said that discussions concerning a further Soviet credit were possible.

15. On the 31st March the Prime Minister said that he hoped the Foreign Minister, SUBANDRIO, would accompany him on his trip to the Soviet Union. He was not going as a beggar to the Soviet Union or to seek for sympathy. Discussions would include political, economical, technical and cultural matters and probably also the setting up of heavy industry. An agenda had already been drawn up for the discussions. If the visit was successful, the Prime Minister said that he would be willing to follow it

/by trips

by trips to Washington and London.

16. SUBANDRIO also said on the 31st March that it was possible that he himself would go on to Peking after his journey to Moscow.

17. The Minister of Information, SUDIBJO, said on the 18th March that he had received an invitation from the Soviet Government to accompany the Prime Minister on his visit to the Soviet Union. SUDIBJO said that there was no special reason behind the invitation to him. He was merely being asked in order to strengthen DJUANDA's party.

18. The Third Deputy Prime Minister, Dr. LEIMENA, said on the 19th March that he had also received an invitation to visit the Soviet Union for a period of about two weeks at any time that suited him. The invitation had been given to him as Chairman of Parkindo (Christian Party of Indonesia). He was having discussions with members of his party to decide whether to accept or not. As far as his own personal feelings were involved he was against making such a visit, both because of lack of time and for psychological reasons.

19. The Prime Minister, DJUANDA, said to a journalist acquaintance on the 23rd March that the invitation that had been made to KHRUSHCHEV to visit Indonesia had been accepted. Such a visit would foster world peace.

20. SUBANDRIO said on the 3rd March that the Indonesian Government was not considering opening diplomatic relations with East Germany. The Indonesian Government continued to believe that relations with East Germany were sufficiently served by the East German Trade Mission in Djakarta. In addition Indonesian relations with West Germany were too close to risk upsetting by trying to open closer relations with East Germany.