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PRESIDENTIAL DECREE NO. 5 OF 1960
CONCERNING REGIONAL LEGISLATURES

~~-Indonesia-~~

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FOREWORD

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PRESIDENTIAL DECREE NO. 5 OF 1960

CONCERNING REGIONAL LEGISLATURES

-Indonesia-

[Following is a translation of an unsigned article in the Indonesian-language newspaper Pikiran Rakyat (People's Opinion), Bandung, Vol. XI, No. 102, September 29, 1960, Pages 1 & 2.]

The Dewan Perwakilan Rakyat Daerah Gotong-Rojong (Regional Mutual Assistance Legislature) and the Sekretariat Daerah (Regional Secretariat) were confirmed by the Presidential Decree No. 5/1960 on September 23, 1960, which was pronounced valid as of that date. The Presidential Decree No. 5/1960 consists of 7 chapters which contain 23 articles. The full contents of the Presidential Decree No. 5/1960 are as follows:

CHAPTER ONE

GENERAL DEFINITIONS

Article One

(1) What is meant by "Dewan Perwakilan Rakyat Daerah Gotong-Rojong," hereafter to be called DPRD-GR, is the Regional People's Representative Mutual Assistance Council, i.e., Legislature, which is based on this Presidential Decree, and which will exist until replaced by the DPRD (not yet formed) according to the law as indicated by Article 18 of the Constitution.

(2) What is meant by the "total membership of the DPRD-GR" is the total indicated in Article 7 paragraphs (1) and (2) of Law No. One/1957 (State Gazette No. 6/1957, State Gazette Supplement No. 1143) concerning fundamentals of regional government.

(3) What is meant by "Dewan Perwakilan Rakyat Daerah" (Regional People's Representative Council, i.e., Legislature), hereafter called DPRD is namely:

- a. the transitional period DPRD, whose organization is based on Law No. 14/1956.
- b. the DPRD whose organization is based on the election regulations in the region concerned.
- c. the DPRD whose organization is based on Law No. 19/1956, and which become the new DPRD, based on the Presidential Decree No. 6/1959, concerning regional government when perfected.

(4) At the provincial level, the "higher authority" refers to the Minister of the Interior and Autonomous Development, while on the county level, it refers to the head of the provincial government.

(5) What is meant by the "regional head" is based on the Presidential Decree No. 6/1959, concerning regional government when perfected.

Article 2

(1) The Minister of the Interior and Autonomous Development renews all existing DPRD's.

(2) The Minister of the Interior and Autonomous Development organizes the formation of all provincial and county DPRD-GR's, which consist of representatives from political and functional groups, based on an equal number of representatives from each group and with a majority from the functional groups if the total membership of the DPRD is uneven.

CHAPTER II

DPRD-GR MEMBERSHIP

Article 3

With consideration for the definition in Article 4, a citizen of the Republic of Indonesia can be appointed a member of the DPRD-GR who:

- a. fulfills the requirements of DPRD membership as defined in Law No. One/1957 concerning fundamentals of regional government.
- b. agrees with the Constitution of 1945, Indonesian Socialism, Guided Democracy, Guided Economy, and Indonesian Personality.
- c. agrees with and prepares to join in carrying out the Political Manifesto of the Republic of Indonesia, dated August 17, 1959.

Article 4

(1) Members and former members of organizations or parties which were dissolved as forbidden by the proper authorities based on the Presidential Decree No. 7/1959 and the Presidential Regulation No. 13/1960 are not allowed to become DPRD-GR members with the exception of those who by stressing in word and deed their approval of the regulations of Article 3b and 3c receive a favorable evaluation from the higher authority.

(2) Members of organizations or parties prohibited by the proper authorities in a particular region cannot occupy DPRD-GR seats in that region.

(3) When the prohibition order indicated in paragraph (2) of this article governs only a portion of a province, then, regarding the membership of the DPRD-GR in that particular province, the regulation in paragraph (2) is valid only if a member, at the time of the issuance of this prohibition order, lived in that portion of the province where his organization or party was prohibited.

Article 5

The regional head proposes to the higher authority as many as twice the number of candidates to be appointed DPRD-GR members in his region as there are seats. In the specified manner, each group complies with the regulation in Article 2 paragraph (2).

Article 6

Observing the definitions in Article One paragraph (2) and Article 2 paragraph (2), the higher authority then appoints the DPRD-GR members.

Article 7

When in some circumstances the regional head has not been appointed, then the organization of the DPRD-GR in the region concerned is postponed until the regional head is appointed.

Article 8

The Minister of the Interior and Autonomous Development regulates situations in which DPRD-GR members resign or are dismissed and also the method of filling vacancies in the DPRD-GR membership.

CHAPTER III

DPRD-GR LEADERSHIP

Article 9

(1) The DPRD-GR leadership consists of a chairman who is assisted by a vice-chairman.

(2) The regional head, because of his office, is chairman, but he is not a member of the DPRD-GR.

(3) The regional head proposes to the higher authority the names of candidates for vice-chairman, which chosen by and from among DPRD-GR members.

(4) The higher authority appoints the vice-chairman from among the candidates mentioned in paragraph (3) of this article.

(5) The Minister of the Interior and Autonomous Development regulates the performance of the DPRD-GR leadership in a situation where the regional head/chairman of the DPRD-GR is not able to preside.

Article 10

The DPRD-GR leadership and members are appointed to the same term of office which is specified in Article 16.

Article 11

(1) Before performing their duties, the chairman, vice-chairman, and members of the DPRD-GR take an oath (promise) of office in accordance with their own religion (faith) in the presence of authorities qualified to appoint them or officials who have been authorized to administer the oath.

(2) The wording of the oath (promise) mentioned above in this article is defined by the Minister of the Interior and Autonomous Development.

Article 12

The status and financial position of the chairman, vice-chairman, and members is regulated by the Minister of the Interior and Autonomous Development.

CHAPTER IV

DPRD-GR POWER, DUTIES, AND OBLIGATIONS

Article 13

The regional head together with the DPRD-GR exercises the power, duties, and obligations of the regional government on the legislative level.

Article 14

(1) The DPRD-GR defines its disciplinary regulations, taking into consideration the advice of the Minister of the Interior and Autonomous Development, who in this situation is guided by the Presidential Regulation No. 14/1960 concerning DPR-GR measures.

(2) During the period when the DPRD-GR disciplinary regulations referred to above in this article have not been defined, then DPRD disciplinary regulations are used as a guide, if they do not conflict with other valid regulations.

Article 15

Definitions in regulations which are valid for the DPRD are also valid for the DPRD-GR, if they do not conflict with the definitions in or based on this Presidential Decree.

CHAPTER V

DPRD-GR TERM OF OFFICE

Article 16

The DPRD-GR term of office lasts from the date of installation of the particular DPRD-GR until the installation of the new DPRD which will be organized based on laws indicated in Article 18 of the Constitution.

Article 17

Without harming the definitions in Article 4 of the Presidential Decree No. 6/1959 and Article 5b of Regulation No. 8/1959 of the Minister of the Interior and Autonomous Development, the term of office of the regional head and the members of the Daily Government Council is brought into agreement with the DPRD-GR term of office indicated in Article 16.

CHAPTER VI

REGIONAL SECRETARIAT

Article 18

(1) The organization of the administration connected with all the duties of the regional government is carried out by the regional secretariat whose composition and expenditures are regulated by the Minister of the Interior and Autonomous Development.

(2) The regional secretariat is headed by a regional secretary who performs his job under the leadership of the regional head.

Article 19

(1) The regional secretary is selected and appointed by the DPRD-GR from among candidates proposed by the regional head.

(2) The status and financial position together with the appointment requirements of the regional secretary are established in regional regulations following the directives given by the Minister of the Interior and Autonomous Development.

(3) The regional regulations indicated in paragraph (2) of this article are not valid before they are organized by the higher authority.

Article 20

All the definitions concerning the regional secretary in the existing regulations are invalid when the new regulations based on this Presidential Decree become valid.

CHAPTER VII

TRANSITIONAL AND FINAL DEFINITIONS

Article 21

DPRD members indicated in Article One paragraph (3) resign their offices upon the installation date of the DPRD-GR in the region concerned except for those who resign or are considered to have resigned earlier.

Article 22

The performance and complications which emerge as a result of the execution of this Presidential Decree are regulated by the Minister of the Interior and Autonomous Development.

Article 23

This Presidential Decree is valid from the day it is confirmed. In order that each person may learn of its existence, I order the proclamation of this Presidential Decree with its placement in the National Gazette of the Republic of Indonesia.

Confirmed in Djakarta on September 23, 1960

(Signed)

SUKARNO

6037

-END-

JPRS: 4817

31 July 1961

A TOUR OF INDONESIAN NAVY INSTALLATIONS IN SURABAYA

By A. M. Hardy

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FOREWORD

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A TOUR OF INDONESIAN NAVY INSTALLATIONS IN SURABAYA

Following is the translation of an article by A. M. Hardy in Pedoman Mingau (The Guide), Djakarta, 6 November 1960, pages 1-2, and 13 November 1960, page 27

Notwithstanding the speedy progress observed during a weeks's visit to the Indonesian Navy installations in Surabaya and Malang, we still hear complaints about the lack of sufficient naval equipment which is vital for the development of a strong Indonesian Navy.

The shortcomings are not confined to material supply there is also lack of instructors. Lieutenant Colonel Jono Parto, director of the Naval Establishment in Surabaya says, for instance, that the insufficiency of material equipment necessary for eventual war purposes is due to the lack of basic industries. Consequently, we will always be dependent on foreign countries and on foreign exchange needed to import this equipment. He further asserts that such imports are only possible as long as we are in the possession of enough foreign exchange. Furthermore, the imports of equipment from foreign countries must be compatible with our neutral and active policy. Accordingly, the various imported materials from these countries might create new problems and necessitate a readjustment of our present personnel and existing equipment.

Also, Lieutenant Colonel F. Suak, commander of the AAL (Naval Academy), remarks that up to now the AAL has not yet reached its degree of desired perfection and that during the nine years of its development obstacles and difficulties are due to the above fact. The basic trouble of the academy is the lack of buildings for the complete absorption of the students and consequently only a certain number of students can be admitted each year. Besides, the AAL still lacks permanent instructors. For the time being the AAL tries to solve this problem by engaging several teachers from the University of Padjaran, the University of GAMA and the University of Erlangga. Those troubles, however, do not have any influence on the quality of our graduated and they are not inferior in comparison with the graduates of foreign naval academies.

Another complaint has been put forward by Major Kusaniwato, the PPKKO (Education Center of the Corps Commando) commander. He says that vital problems have always been experienced in building up the AL in general and instructing the KKO in particular. The nature of these problems are similar to those of the AAL, PAL, etc; viz. the lack of

material equipment, personnel, and finance. This will form an obstacle for the development of a strong navy, necessary for maintaining the stability of our country; especially when we consider the geographical structure of our country; it consists of thousands of islands surrounded by oceans.

Considering the facts above, people are inclined to think that the development of their Navy is far behind that of the other armed forces. However, our observations have proven that this is not the case. Up to now the ALRI is in possession of a reasonable number of ships, besides other modern war equipment. Further, it has its own armaments works with considerable machinery. We hope that the ALRI will be more self-supporting in the near future. This will make us less dependent upon foreign countries and eliminate the eventual problems arising in case of a blockade or other obstacles. We are sure that the Admiralty in particular, or the Government in general, has already considered thoroughly the crucial problem of the supply of naval equipment. The choice lies between importing armament from foreign countries or having our own armaments works and basic industries as starting points for other factories.

Major Sardjono, head of the Central Naval Information Service, is of the opinion that the upbuilding of the ALRI has already become a part of the overall development program of the Depernas (National planning Board). We hope, he says, that when this program becomes a reality, the ALRI will make more progress in creating a strong Indonesia at sea, as well as on land and in the air. Also in the education field for naval officers, attempts of our Navy become evident in the renovation of its personnel. Every year the Naval Academy as the center of education for future ALRI officers delivers young graduates who are ready for their tasks at sea. However, several obstacles are still to be faced in the future development of the AAL. Among other things, e.g. the lack of the buildings still limits the admittance of a large number of students. This year, for instance, only 160 students are admitted, whereas there have been about 3,000 candidates. The Academy has accordingly decided to make an accurate selection among the candidates. This concerns their ability, good will and knowledge obtained at the SMA (High School) or the STM (Technical High School) education. The AAL commander, F. Suak, maintains, however, that the lists of grades cannot be taken as a basic criterion for the selection of the candidates. In most cases those grades do not give an exact reflection of the person's ability and good will. For instance, there are candidates with excellent grades who nevertheless have failed in their entrance examinations, or do not have the required physical strength.

The Naval Academy formerly required three years' of study for a cadet. This has now been changed into a four-year course in order to increase or ensure the quality of the graduates. At present the AAL already has five education departments which are quite different from one another.

In this complex three important departments are essential for the AAL student. For instance, in the English Department every cadet is trained in using his knowledge of English and their work can easily be

controlled. Here direct supervision of the instructors means an important stimulating factor for the students in doing their work. In addition, we also find a service station, complete with ship engines used by the ALRI. Before every cadet goes into service on the various types of ships, he gets some practical knowledge in those service stations in operating the various types of engines.

Another not less important department is the Naval Artillery School (SARTAL). As the name indicates, this is a place where the cadets get their naval artillery practice, which is slightly different from the land artillery. In naval artillery the influence of the ship movements on the firing power also has to be taken into consideration. Every student gets training in firing, using radar instruments, and so on.

At the end of our tour to the navy installations in the AAL complex, Lieutenant Colonel F. Suak explains that at the present stage the AAL is not lagging far behind in comparison with naval training in other countries, and that "we are now even ready to accept foreign cadets who want to study at our AAL". He further states that even after nine years have elapsed, the original schedule of turning out 200 cadets per annum, has not yet been realized. This is partly ascribable to the students themselves. Every year 30% of the students fail to finish their training.

Our observations during the tour of the ALRI base in Surabaya indicated that "Jalesveva jajamahe" (Celebes or Amboina dialect, translation unknown), which several years ago was still a motto has apparently become a reality now. This is confirmed by Major Kusnaniwoto, commander of the Education Center for the Corps Commando (PPKKO) in Gubeng, who mentions that a strong armada, submarines, air force and army are needed for the defense of this wide and scattered country.

The education center of the PPKKO is located in Gubeng Surabaya, which is also meant for a training camp of all members of the Navy. Our fellow correspondents, whoever "enjoyed" some training at this PPKKO, admit that the training was rather hard in the beginning. But after one or two weeks "we get used to that and gladly follow the instructions".

We also get the information from the PPKKO commander that the ALRI was very satisfied with the results of the training of the Wamilda (correspondent). As to the Commando Corps itself, Major Kusnaniwoto stresses the very great importance of their education and training, considering their heavy task in breaking through the coastal defense of the enemy. It stands to reason therefore, that very tough military training is necessary besides the physical and mental requirements.

The commander of the ALRI armaments works also tells us something about the experiments of producing armaments in the attempt to bring some improvement to the ALRI. "We have to do this" the commander says, while showing us an instrument which they just finished; it is an instrument for measuring the velocity of a bullet. In response to our question, the commander says that the existing foreign exchange shortage does not enable the Navy to import such equipment from abroad. "An order had even been placed, but it has not yet arrived up to now. In anticipating the arrival of this equipment, we succeeded in producing it ourselves."

From our observations at this armaments works of the ALRI, we can say that besides our personnel who are trained in foreign countries, our own STM people from the chemical and machine sections will also form a vital factor in running the works. "And of course we need people who will voluntarily and seriously do the job". Taking into consideration the importance and need of experts in the development process of our country and the Army, our Government in general and the Department of Education in particular should consider this urgent need of increasing the number of engineering schools, like STM, SPMA, etc., besides the SMA.

At the end of our visit to this works, we returned to the main subject of our discussion; the development of the country without neglecting the important role of the armed forces. For this purpose basic industries are badly needed.

During our visit to Morokrembangan, Major Hamami Hidajat, commander of this naval air base, in his statement expressed the urgent need of a larger airfield for expansion purpose in the very near future. "Fortunately this will be realized when the Waru airport is finished". The Morokrembangan air base does not meet the requirements any longer. Therefore, it will be closed as soon as the Waru air base is completed. Major Hamami further says that it has always been the ALRI's cherished wish to expand its air fleet, which is at present only partly realized by the possession of certain types of planes, such as the Gannet and the Gruman Albatros. Concerning the Gannet, Hamami explains that this type of plane is of great use for a country like ours (surrounded by sea), because the Gannet turns out to be very effective in hunting and destroying submarine. In order to meet the requirements of an expanding ALRI air fleet, construction was recently started on the new Waru air base, 20 kilometers from Surabaya. This will be fully equipped, including housing for the airport attendants, which will make the landing of various types of aeroplanes possible in the years to come. The construction of this air base is done by a French contractor (CITE) and is expected to be completed in 1964.

A quite different picture than the previous observations of our tour in Surabaya was obtained from our visit to the Naval Academy in Malang. The KALM (Naval Academy) has a function quite different from what we have observed in Surabaya and other places. Major Mangunkarta, the KALM commander who took us around the complex said that the KALM has three functions for the Navy. First it serves as a registration center for the Navy candidates to be examined. Secondly, as a training center for those who are not directly involved with fighting, such as cooks, shoemakers, barbers, and so on. Thirdly, as a retreat for those who are off duty, where they can get vitamin-enriched food at moderate prices. As to the first function of the KALM, Major Mangunkarta explains that the KALM is a recruiting center, where the candidates also undergo physical and psychological tests, under the supervision of Major Usman Rachmani. About the second function, as a training center the KALM prepares personnel to serve as ship crews.

Major Mangunkarta remarked further that every candidate who has ever joined the KALM in Malang can tell about the rules over there. Everybody has to take care of his own personal belongings and is not allowed to have them scattered, even in his own room. It happened once that some correspondents who were there for a test, "lost" their things. Afterwards, it turned out that the janitor had taken care of those things. He advised the correspondents "if you leave the room, please gather your things, otherwise they will be taken away". This reveals something about the KALM in Malang, which principally serves as a recruiting and training center of the Navy.

Before the tour to all those Navy installations, Colonel Muljadi, commander of the Kodamar IV in Surabaya, said in an interview: "Indeed, the public does not know much about the development of the Navy, and I do hope that it will be more interested in it after reading the report of this tour, and that more of our youth will join the ALRI. Also, I do hope that in the future the government will pay more attention to the existing deficiencies and shortcomings of the ALRI, which forms a part of the country's defense. "Major Abdul Fatah, head of the Information Service of the Kodamar IV in Surabaya, also expressed his fervent hope that in the near future the Navy will be able to make more rapid progress than before.

Captions to photographs on page 1 of Pedoman Minggu, 6 November, not reproduced here.

Left: This picture shows machines from various imported types of ships, which are used for the ALRI's students before going into practice at sea.

Right: A place where the ALFI cadets are instructed and trained in using the various types of armaments, used in the Navy Artillery School.

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20 December 1960

SELECTED TRANSLATIONS ON LABOR AND BANKING IN INDONESIA

by Bachtiar Salim Haloho and Arnold H. Simbolon

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SELECTED TRANSLATIONS ON LABOR AND BANKING IN INDONESIA

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I. LABOR IN A GUIDED DEMOCRACY

[Following is a translation of an article by Bachtiar Salim Haloho in the Indonesian-language newspaper Suara Marhaen (Voice of Marhaenism) Djakarta, Vol. 1, No. 35, 24 December 1959, Page 6.]

The development of labor in a country takes place in harmony with the history of the country.

In colonies, labor movements are suppressed along with other movements for independence.

The labor movement in a socialist country is socialistic in line with the movement to achieve the socialist status of the country and grows in a socialistic atmosphere.

In capitalistic countries the labor movement is more revolutionary in line with the capitalistic system and big and long strikes are held to oppose the individualistic attitude of the capitalists.

The labor movement in Indonesia developed in line with our national history. During the 340 years of Dutch colonialism and 3 1/2 years of Japanese fascist occupation, our labor movement was suppressed and banned. Anyone who appeared as a champion of labor with a revolutionary spirit was arrested and imprisoned like our independence heroes.

Labor in Indonesia took a fortunate turn with the achievement of independence on August 17, 1945 in which workers unitedly took part with the entire population under the leadership of Sukarno and other leaders.

After the achievement of independence which served as a golden bridge, the labor movement was given the right to live and to fully develop.

During our revolution the people of Indonesia fought unitedly under revolutionary leader Sukarno.

At that time the labor movement was united with the feeling of mutual interest and suffering. Without regard for differences among the various labor unions in their different forms, there existed only one organization which at that time truly fulfilled the desire of the workers to accommodate all trends and religions.

Since the independence revolution, labor has achieved its basic rights as prescribed by the Constitution of 1945.

Workers now maintain connections with enterprises and the government based on agreements and the understanding that each party has its responsibilities and rights.

It is clear, therefore, that the workers in Indonesia are no servants or slaves but are individuals who are responsible for the results, value and accomplishment of the task which has been given them and are entitled to security and improvement of their lot and that of their families.

In order to preserve their rights and to achieve the improvement of their status, the workers have united themselves in unions such as trade and labor unions and in a big trade union center. Basically these labor unions have the same goal, namely the improvement of the lot of the workers.

But with the rise of a great number of political parties in our country, the number of labor and trade unions grew rapidly due to the desire of these parties to expand their influence among the workers and use them for the purpose of achieving their political goals.

Furthermore these trade and labor unions joined international labor organizations such as the World Federation of Trade Unions, the International Confederation of Free Trade Union and the I.F.T.

Aside from the reasons and purposes for joining these organizations, the union of the Indonesian labor unions with these world organizations is detrimental to our labor movement which influences our entire population.

One of the direct results we feel is disunity and also the disputes which are caused by our labor unions joining two international labor organizations which are suspicious of each other.

We cannot do away with the influence of political parties in this matter in spite of the fact that we cannot clearly prove its existence. The influence of political parties on labor unions has developed to such an extent that in one instance a labor union went on strike against a certain service not with the goal of improving the status of its members but in order to achieve the goal of the party which supported it.

In the spirit of guided democracy and in line with the requirement to return to the Constitution of 1945 which was proclaimed by the president on July 5, labor unions are expected to adapt themselves to the existing situation.

In guided democracy, labor does not work only for its own lot, but has the opportunity to consider and work for the entire population and the country through its representatives in government organizations.

Representatives of labor unions, of provinces and of political parties occupy a place of equality in the Temporary Supreme Deliberation Council. Representatives of labor and of provinces work together in the National Council to form a National Development Pool.

Labor unions will also take part in the M.P.R.S. with guarantees given by the Constitution of 1945.

It is logical for the workers to expect that in guided democracy a functional revolution will succeed in our country.

Therefore the struggle and responsibility of the workers through the labor and trade unions in guided democracy and under the Constitution of 1945 are greater and more difficult than in the past.

If formerly labor and trade unions worked only for the improvement of the status of their members without giving thought to the economic development of the country, we now should strive in a revolutionary manner to increase production in order to meet the needs of the population and the workers should take part in this effort.

Bung Karno, as our national leader, has said that in order to continue our national revolution in its current stage, workers and farmers should be the pillars.

We agree with the viewpoint of labor that the people cannot work on empty stomachs, but in working for the lot of the workers, the interests of the country should be considered.

Labor and trade unions have full right to demand the improvement of their lot and they may go on strike but that right should not be used recklessly.

When an enterprise is government-owned, it is proper for the workers or officials to make suggestions for the improvement of this status. The government will not treat its officials contrary to existing regulations.

The situation is different when an enterprise is owned by a foreigner or is privately owned by a national and is operated for the purpose of making profit at the expense of the government. In that case it is the responsibility of the workers to change the situation by using their own means.

It is not sufficient only to make demands or go on strike; if necessary, they may confiscate such an enterprise and turn it over to the government for nationalization such as took place on Dec. 3, 1957 when Dutch enterprises were taken over.

To continue the national revolution, the workers should fortify themselves for this extremely difficult task and have as their guide the political manifesto of the government proclaimed by president Sukarno on August 17, 1959.

Returning to the Constitution of 1945 should not only mean returning to its laws but also to the enthusiasm of the revolutionary spirit and unity of the workers during the revolution.

With the existence of 11 trade unions, 2 R.K.S.'s and scores, yet hundreds of labor unions in their different forms, the principle and the goal that motivate them are no longer in harmony with the concept of returning to the Constitution of 1945.

In line with the simplification of the parties which was outlined by the Temporary Supreme Deliberation Council and in harmony with president Sukarno's instruction to the youth to return to compact unity by organizing an all-Indonesia Youth Congress, which instruction was given by him on Youth's Day in Surabaya and also on Heroes' Day in Djokjakarta, the time has come for labor to reorganize and simplify its numerous organizations.

If possible, these organizations should be simplified into only one labor union or trade union to avoid the existence of 3 unions (Marhaen, Muslim and Communist) we have read about in newspapers. At least, several labor and trade unions which have been simplified should be combined in one organization such as the Cooperation Organization.

We should have a labor union which is not split according to various ideologies which are not attained through a labor or trade union but through a political party.

It should be a labor or trade union which is able to unite all labor power to promote national development in the field of production so that under one leadership all labor power will move together in various fields.

It should be a labor and trade union based on the Pantjasila (Five Principles) which has for its goal the attainment of a just and prosperous society, a socialistic society à la Indonesia.

It must be a trade union which has no organizational, political or cultural connections with an international labor union and is guided by the political manifesto. It should not be a trade union which claims that the Communist Manifesto or the Declaration of Independence is the best goal for Indonesian labor. It should be a trade union which consistently claims to accept and carry out the political manifesto proclaimed by President Sukarno on August 17, 1945.

Labor which is united in this trade union should cooperate with all leaders of enterprises and services to promote and raise production. The concept of cooperation of labor with business leaders to raise production does not mean directly determining the lot of labor. In order to fulfil labor's desire to improve its lot, it will not make any compromise with businessmen, especially foreign businessmen or national businessmen who are capitalist or bourgeois-minded.

Labor which is united in a trade union as described above cooperates and is composed wholly of labor organizations which have been organized into a national front.

Thus national potential is collected and the energy of all working groups is harnessed to work out a blue print for national development for the purpose of building a just and prosperous society, a socialist society à la Indonesia: a society which does not exploit labor power and human energy. It is a society which holds consultations under guidance and operates a guided economy in harmony with the individuality of the Indonesian people in the past.

Guidance in this instance does not mean a system of dictatorship or fascism but an effort on the part of labor under leadership based on the wish and interests of labor, in harmony with the

principles and goals of the state, the Five Principles and the goal of a socialist society à la Indonesia. Thus the struggle of labor becomes a united action.

The leaders will form a compact team filled with the revolutionary spirit, strong national conviction and a sense of responsibility for the people's interests. Thus the government will guide the people.

With such realization of the importance of labor, the power of labor can be utilized most efficiently for the country in continuing our unfinished national revolution.

II. THE POSITION OF LABOR IN THE PROCESS OF SOCIALIZATION

[Following is a translation of an article by Arnold H. Simbolon in the Indonesian-language periodical Sikap, (Policy), Djakarta, Vol. XIII, No. 12, 4 May 1960, Pages 6 & 8.]

Labor Day, May 1, 1960, is a historic day for the entire world. It is celebrated by every labor organization in every country in Europe, Asia, Africa, America and also in dictatorial communist countries. We also celebrate this Labor Victory Day in our country, but our manner of celebrating it differs from other countries in that it is done in line with the conditions prevailing here.

Labor Day has been celebrated repeatedly by the socialist community since the formation of the Indonesian Socialist Party. This time May 1 is celebrated in a simple manner. This day encourages us to continue strengthening our position with the determination to struggle constantly in order that our ideals for the people may produce beneficial results for humanity, namely unity and peace with justice and prosperity. In striving to achieve these ideals we repeatedly experience difficulties from without and within, but we continue to strive with determination and the conviction that the ideals of people's socialism will ultimately be recognized and will become the ideals and goal of our country. We need not worry unduly about the rightness of our ideals and the road they take in spite of the fact that we meet much opposition from those who oppose our ideology. Our hopes and ideals are realized through the increasing strength and capacity we possess.

May 1, 1960, is celebrated in our country in the spirit of returning to the Constitution of 1945, socialism à la Indonesia, guided democracy, guided economy, return to national individuality, collectively known as USDEK. Our country still finds itself in the state of war. Under these circumstances, let us for a moment survey the position and life of our nation in general. The workers lead a depressed and difficult life. Our daily life becomes increasingly difficult due to soaring prices of commodities, drop in our income and rise of unemployment while work possibilities and sources of income become increasingly meager. Each one of us experience this condition in his own home. Many of us become discouraged and indifferent and leave our fate in the hands of this most critical situation. Our salaries are not sufficient for the basic necessities such as food, drink and housing. The supply of commodities is dwindling while their prices soar. Foodstuff such as rice, cooking oil, vegetable, meat, fish, egg etc. remain expensive.

Transportation fares continue to soar. Under these circumstances many become discouraged and they long for leadership which will help lighten their heavy burden. In spite of this situation we as workers and champions of people's socialism should not become apathetic and however dim and difficult the political and economic situations may be, we are able to lead the people out of poverty and suffering, thus preventing them from feeling that they are without leadership. Without the people, socialism à la Indonesia will not succeed. We are now on the road to socialism à la Indonesia. We should now strive to reach our goal and be responsible for the steps taken, the planning, the supervision and the efforts put forth.

In order to reach this goal, the people must be given a part to play. The interests of the people should be given considerable attention in order that their income may increase and the basic commodities and services may be obtained. In accomplishing this result, the temporal needs of the people become a problem.

Private enterprises are experiencing increasing difficulties and many of them are dismissing workers, thereby causing increasing unemployment. Government services are not able to give work to the unemployed due to economy practiced by the government and due to lack of vacancies. Almost all business enterprises are helpless due to current import and export regulations, high expenses resulting from distressing financial stabilization measures during the past 9 months, economic regulations and financial confusion. All these measures are taken by the government to achieve guided democracy which leads to socialism. In the socialization process from liberal economy to guided economy many changes and regulations have been made in the distribution of goods through agencies known as distribution stores and government P.T., in the field of production, transportation, etc. The real goal of these measures is to accomplish the first plan of the Working Cabinet to provide cheap distribution of commodities for the people. In guided economy, all vital enterprises, distribution and production will be controlled and operated by the government; in short, they will be socialized. It has become apparent that this socialization process has resulted in much unemployment, stagnation of production and distribution and deterioration of the financial and economic situation. Distribution of goods to the people is lagging and it is reported that the distribution stores and government P.T.'s lack liquidity, that administration expenses are low and skill is lacking. Buyers are not able to choose the kinds of goods they desire and recently distribution stores began to close. According to government P.T. officials, the supply of basic import goods is low due to inadequate sea and land transportation, lack of skill on the part of officials as compared with former private business leaders and lack of investments.

In socialist countries where guided democracy operates, distribution of goods to the people is given priority above other problems so that the people are adequately provided for. The productive manpower of farmers and workers is channeled efficiently to increase investments and production and to carry out profitable industrial projects so that maximum results may be obtained in carrying out a 5- or 10-year plan. With regard to Indonesia, it is difficult to predict its economic and financial development. Why? According to professor Moh. Yamin, the National Development Plan will be presented to the president before August 17, 1960 and will not be carried out before 1961. How this plan will be put in operation, supervised and financed remains to be seen.

It is quite apparent that there is a connection between internal politics and security and the development of economy of a country. The political situation in our country at this moment is quite critical, parliament having been changed to Mutual Help Parliament. Political rivalry between political parties and the government seems to have sharpened. The rise of the Democracy League which is supported by the Masjumi Party, the Catholic Party, the Parkindo, the Socialist Party, the I.P.K.I. and other groups is an indication of the dissatisfaction of the people with the current leadership of the government. Civil war continues in the provinces and it cannot be determined when the security problem will be solved, thus making uncertain when national unity will be achieved. If such disunity continues the unity of the people and the country is seriously threatened.

Besides serious unemployment, the rapid increase of the population of Indonesia poses a problem. The increase in population goes on at the rate of 2 million a year. Transmigration has been retarded due to lack of funds and shipping facilities. Life in the village is as difficult as ever. There has been no progress in agriculture, cattle raising and fishing. The method of land cultivation is as primitive as in colonial days. Many irrigation dams have broken down. Village roads continue to deteriorate and other factors make the life of the people difficult.

We continue to import rice in spite of the fact that there is much uncultivated land which could be converted into rice fields.

How can we provide productive employment for all workers in villages and towns who continue to increase in number? How can agricultural production be sufficiently raised to support the increasing population of 90 million and to develop industrialization? Agriculture should be given first priority. The only way to obliterate all prevalent diseases and quickly carry out the social and economic revolution in Indonesia is industrialization which is the basis of great progress in a modern world.

III. BANK OF INDONESIA TO BE A CENTRAL BANK

[Following is a translation of an unsigned article in the Indonesian-language newspaper Pantjawarta (Pantja News), Djakarta, 13 May 1960, Page 1.]

After the Bank of Indonesia had gradually completed its commercial activities, it was able to operate solely as a Central Bank, according to information obtained by Antara from the officials concerned.

As the first step in carrying out its work most effectively as a central bank, the Bank of Indonesia reorganized in line with its new function in order to implement the nation's general economic program as outlined in the 1959 Political Manifesto of the Republic of Indonesia.

The reorganization was effected in harmony with the function of the Bank of Indonesia as a central bank.

As a result of this reorganization the Bank of Indonesia now has 5 sections, namely the Monetary Section, the Economy Development Section, the Foreign Affairs Section, the Research Section, the Economy and Statistics Section and General Affairs Section.

The Monetary Section includes operations which are connected with the responsibility of the Bank of Indonesia to maintain monetary stability. This section is made up of 3 divisions: the Government and Credit Division, Bank Supervision Division and Monetary Market and Investment Division. With this arrangement the Bank of Indonesia, in its effort to maintain monetary stability, hopes to use the monetary system of central banks. Besides direct monetary systems such as "cash ratio", liquidity ratio", and qualitative and quantitative supervision which have already been practiced, the bank hopes to operate indirect monetary systems such as the "open market policy" and the "discount rate policy".

In line with its position as a central bank in a country which is developing its economy, the Economy Development Department which includes 3 sections, the Government and Credit Section, the Development Bank Control Section and the Monetary Market and Investment Section, the Bank of Indonesia hopes to be able to aid the government in financing development projects with financial stability in harmony with the general national economic program.

The Department of Foreign Affairs handles the operations which deal with foreign affairs and includes 3 sections: the Foreign Affairs Section, the Foreign Exchange Section and the Money Order Section. It also includes a staff which handles the relations with LAAPL/BDP.

The Research, Economy and Statistics Department includes activities which involve research, collecting and inspecting materials needed to carry out the above activities as effectively as possible. This department includes 3 sections: the Research Section, the Monetary Value Section and the Report Section.

The General Affairs Section includes activities in connection with the Management Bank and is made up of 9 sections: the Inspection Section, the Central Administration Section, the Accounting Section, the Officials Section, the Home Section, the Building Section, the Law and Secretariat Section, the Treasury Section and the Bank Paper Money Section. The name of some of the departments indicate that under the General Department the Bank of Indonesia also functions as a circulation bank.

Each department is headed by a director, assisted by one or more assistant directors, while the governor and the directors make all the decisions and supervise all activities.

The work of the Bank of Indonesia is distributed among the Board as follows:

Monetary Department: Mr. Indra Kasoema

Economy Development Department and Research, Economy and

Statistics Department: Dr. Soerjadi

Foreign Affairs Department: Mr. R. B. Gandasoebrata

General Department: Mr. Boerhanoedin

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17 February 1961

BASIC CONDITIONS FOR THE STABILIZATION OF PRICES

- Indonesia -

By F. Runturambi

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FOREWORD

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BASIC CONDITIONS FOR THE STABILIZATION OF PRICES

-Indonesia-

[Following is the translation of an article by F. Runturambi, in Harian Rakjat (People's Daily), Djakarta 29 September 1960, page 3.]

On August 25 of this year the government took monetary measures following up the monetary reorganization of last year. These measures are essentially meant to:

- 1) lower the price of food and clothing and other essentials;
- 2) stimulate exports and increase foreign assets;
- 3) import more goods — some against lower and others against higher exchange rates.

The present financial measures that have already been a month in execution are contained in four Government Decision Reform Laws, two Government Decisions and one Presidential Decision. Now arises the question: Can lowering and stabilizing of prices really be attained? Before we offer an answer to this question we must first inspect a little the important aspects of the present financial measures.

The essential points of the second series of financial measures.

The present financial steps are fundamentally a simplification of the many kinds of government levies on export and import. Regarding export the collection of PUEKS [Pemungutan Eksport — Levy on Export], the bea berat [heavy tax] and the statistical tax have been left out. All that is left is called bea keluar [outgoing tax] of 10%. Regarding imports, levies such as PUIIM [Pemungutan Import — Levy on Import], bea berat, statistical tax and pedjak masuk [incoming duties] based on the sales tax of 1951 have been left out and replaced by bea masuk [incoming tax] of a size depending on the kind of article, as follows:

Articles of Group I, incoming tax 0%; imports against a rate of exchange of \$ 1.00 equals 45.00 rupiahs.

Group II, 20% incoming tax; import against a rate of exchange of \$ 1.00 equals 45.00 rupiahs.

Group III, 30%; import against a rate of exchange of \$ 1.00 equals 200.00 rupiahs; but incoming tax is collected against a rate based on \$ 1.00 equals Rp. 45.00 rupiahs.

Group IV, 100%; import against rate of exchange of \$ 1.00 equals 200.00 rupiahs; but incoming tax is collected against a rate based on \$ 1.00 equals 45.00 rupiahs. Generally speaking, no foreign assets will be made available for import of luxury items, and their import will be limited.

To Group I belong food and clothing and items important for the development, such as rice, manure, etc., that used to be free of PUIM. To Group II belong other articles of food and clothing or other articles important for development. To Group III belong items other than food, clothing or items important for development that do not belong to Group IV. For these items the government still makes foreign assets available. Goods that therefore belong to Groups III and IV are mentioned on the "free list" that are not articles of food, clothing or development.

The second group of financial measures determines also the component of the value of articles of Group I and II subject to tax and subdivides them in three groups: Group A subject to 10%, Group B 25%, Group C 60%. Goods of Groups III and IV are not subject to an arrangement of component values. The government has determined component values for Group I and II to thwart speculation, because without such a component, prices will suddenly drop.

These financial measures also define free import foreign assets, they determine that assets not earmarked as wealth of the nation can be used to import important articles for industry, such as spare parts, etc.

Except for the above mentioned fundamental problems which have a rather strong direct influence on the level of landed cost and sales price of the importer, there are also various instructions. As retribution on export and import (1%), transfer tax (100%), tariffs for guarantee money for national commercial enterprises, bank credit and liquidity, the decision to change the rate of exchange for foreign oil companies from \$ 1.00 equals 36.00 rupiahs to \$ 1.00 equals 45.00 rupiahs, etc. The assessment on extra profit on import articles is still conducted in lower percentages, but how much, exactly, is still not clear.

Influences on the price of goods.

With this second group of financial measures, the government is actually more trying to overcome the bad results of the financial reorganization of last year. It is more in the nature of eliminating or replacing the original financial decisions on import and export that have been proved ineffective in actual practice. According to the radio speech of the minister of finance of 24 August this year, taxation on the value of articles in an artificial manner must be stopped.

Seen from the intentions of the government to lower the prices by moderation in the collection of import and export taxes, this second group of financial measures is good, although rather late. We say rather late since lowering the price of import articles by about 20% after the price of food and clothing has definitely risen 100% in comparison with the situation before the reorganization of last year does not improve

the purchasing power of the people very much, especially that of the working classes which has been declining steadily. At present we do not notice an increased flow of purchases of the masses on the markets, although the prices of import articles have gone down somewhat. This is not because the people do not need the goods, but because their purchasing power is very low.

To meet the hopes of the workers, the government must persist in lowering the price of food, clothing and development much more. We shall feel a further decline in prices when there are no component values and when we move important articles formerly of Group III, IV or V of PUIM to Group II of the present new arrangement. For instance, textiles for women's clothing of artificial silk which belonged to Group IV under the system of PUIM now belong to Group I entry 1, which has caused the landed price to go down 55%. In this manner we get an amount of food, clothing and development articles of which the import prices go down as a result of the new financial measures. In addition to these, there are also articles of food, clothing and development of which the price remains the same, or declines very little, and there are even increases, as with the price of newsprint.

Fundamental problems of price stabilization.

To reach a generally lower price level for not just a short time, the fields of production and distribution need great attention to make an improvement of the present economic situation possible. This fundamental problem has not yet been analysed very well.

The problem of ever-increasing prices must not only be looked at from a financial point of view. There are many factors that have all this time been sources of price increases, as for instance:

- 1) Devaluation of the rupiah, with its different rates of exchange expressed in foreign standards in a direct or indirect manner.
- 2) A stock of articles of food, clothing and development insufficient to satisfy the minimum requirements of the society.
- 3) Speculation and smuggling in the present commercial world going berserk.
- 4) Assessments on profits in excess of a certain level on articles of importation.
- 5) Increase of official prices of certain goods and of official rates of transportation, electricity, taxation, etc.

Many of the above mentioned sources of price increases have not yet been overcome. The army's police actions are already rather intensive, but have not yet resulted in economically favorable conditions, and price stabilization cannot be reached, and the economic decline cannot be overcome. For this reason, this second group of financial measures is insufficient to be successful in lowering the level of prices. We also need fast and appropriate measures in other fields, especially measures in the fields of production and distribution, which can stabilize prices and prevent new price increases.

Among fast and necessary steps to lower the price of articles of food, clothing and development in the financial sphere are elimination immediately of measures on component value and assessment on excess profit. Such steps can quickly improve the purchasing power of the people and propel the development of production in the country. Naturally, the sources of income of the country have to be shifted from direct and indirect taxes to the productive sector by instituting a concrete program to increase productivity.

Regarding the free available foreign assets for imports, we must pay attention to several factors that can damage the government itself if no appropriate measures are taken. These assets may be abused by smugglers to promote illegal transactions with foreign countries. This would hamper the plan to promote export, recorded as the harvest and wealth of the nation. The simplification of government assessments on export cannot yet cause the disappearance of the disparity in the price of these export articles inside and outside the country.

Basically, this second series of financial measures will only attain price stabilization when they do not remain limited to purely financial steps, but extend to other economic spheres for the purpose of eliminating the sources of price increases. We need a sufficient supply of food and clothing, with the stress on efforts to increase the production in the country. The purchasing power of the people must be increased by improving the productivity, as well as by efforts to reduce prices.

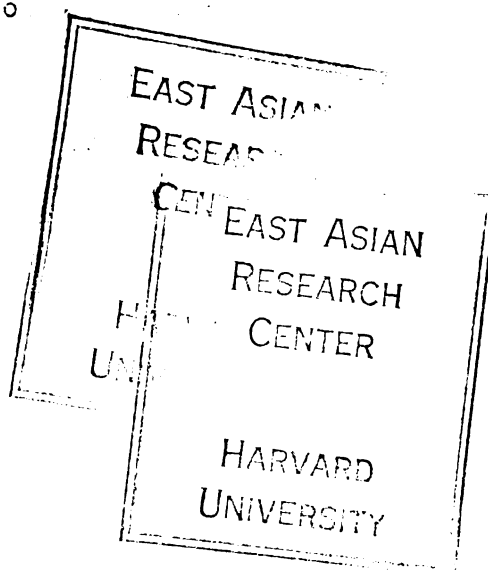
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18 January 1961

GENERAL STUDIES IN INDONESIAN ADVANCED SCHOOLS

by Jul Sumartojo



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GENERAL STUDIES IN INDONESIAN ADVANCED SCHOOLS

Following is a translation of an article by Jul Sumartojo in the Indonesian-language periodical Mimbar Indonesia (Indonesian Forum), Vol. XIV, No. 39, Djakarta, 24 September 1960, pages 13, 30.⁷

General studies are being looked upon as vital by the government. The department of Education has for some time been providing instructions in connection with the holding of special lectures on general studies in all of the universities. But what are general studies?

Abroad, for example at Cambridge, Sorbonne, etc., general studies seek to train the student as a representative of the university, having not only knowledge of a narrow field but also an understanding of the significance of the university. In addition, they should even have some knowledge on matters outside of their specialty. The purpose of university education is to produce scholars having broad backgrounds, supplemented by a particular field of knowledge for which the individual has a capacity.

In Indonesia, obviously, studies continue to be a subject that is not too clear. Many have non-specific notions about it and not infrequently, general studies is a subject of complete ridicule and cynicism. It is interpreted as being a course of all the sciences - economics, political science, biology, etc. It is considered as being a special study concerning the Manipol/USDEK [an abbreviation for the Political Manifesto and the five concepts as follows: The 1945 Law, Socialism a la Indonesia, Guided Democracy, Guided Economy and Indonesian Identity]. And there are many others.

In this connection, Professor Slamet Iman Santoso, President of the University of Indonesia, explained the task of making available general studies subject at the university as follows to a correspondent of Aesculapius (a medical journal): General studies have two purposes: To promote a national attitude (USDEK, etc.) and to instill a broad view in the student beyond that which is given by his specialty.

The position of Professor Slamet consists of a dualism of two functions. He states that they are not in conflict, rather they are inseparable. For example, an individual with a broad approach to things will not display a narrow identity.

In order to accomplish the task of presenting the broad approach, lectures are held on five categories of questions, all of which cover the field of the sciences. The intent of these questions is to acquaint the scholar as to where and how the sciences are to be applied as well as the results which follow such application. Information of this

nature should be possessed by all scholars because general studies in this context is designed to be offered by all the departments. The courses (which will be the same) will not interfere with the special field of the particular department in-as-much as a student having been accepted by a department would be considered as being intelligent. Intelligence will serve as a common denominator. As to the diversification of this intelligence, this can be considered as an asset.

The five questions are: 1. What are the sciences? 2. Are there relationships between the various sciences? Yes or No? If there are relationships, of what significance is this? 3. Historically, how did the various sciences come into being? This question is derived from the fact that the teacher has served a very important place in history and that we are an image of mankind which has contributed so much to the sciences. In general, the teachers are the image of mankind with its broad approach; it was they who broke their own limits of knowledge. 4. What should we know when we apply the sciences to society? What will the outcome be at the time of actual application? In this instance, we must remember that life must always be considered as an integral entity. If we change one facet of it, then other facets will also change. 5. Is it adequate for us to know the sciences only, or is there a need to have a predetermined IDENTITY in setting a course for the sciences? And which aspect and how will this identity be formalized? Thus, concluded Professor Slamet Iman Santoso.

The Indonesian peoples are still developing and making headway towards the future. There is no future without a modern basis of tolerance, something which we have had and which we have grown with in considerable measure. Ours is a society of spiritual happiness and material prosperity.

However, capitalism and liberalism, systems of rape, are imbued with an extremely individualistic spirit; it creates oppression in man's life and makes him a social creature. Expression of individual opinion can be a dynamic thing but it is short on inhibitions for the common cause which evolves around social life. Frequently, one suffers emotionally merely because calculated judgement is occasioned by various sorts of misgivings. Mankind learns to quarrel with discipline, finds scapegoats for greed and yearning of material things, and loses sight of the mutuality of things. Furthermore, "death" of a friend is often considered as a real blessing, as a victory of the "individual" whom they obviously endear merely because their hope in life is "me".

Behind the guise of a particular flag, leaders (make-believe or otherwise) situate themselves in a strong position along the lines of a patronage system, using elaborate meaningless discourse and complicated situation to masquerade, wearing the mask of "the people's interest" while in essence thinking of "themselves" or a group of peoples who belong to "themselves". They are only shamming in the name of the people or mutual interests and have no real sincere intentions in the least.

Actually, the demands of collective life are all powerful. As in

the case of a single unit of organism, according to its laws, it can be very demanding, working together to create a form of real life. The reason people flock together and strive for a consciousness of collective life is to escape from a feeling of loneliness and fear (read: The World in The Twentieth Century, by Louis L. Snyder). Freely interpreted, a crying lost goat will find its way back when it is ready to die because of its age. Collective life is an all powerful thing. Scholars and those responsible for peace in collective life and for collective happiness devoid of exploitation of the individual for others represent a powerful conscious; they must reveal the true nature of man's purpose in life.

Collective interests come before individual interests. Property has a function in society. The formula for collective interests is oriented toward enrichment of the state. The state guarantees social status, spiritual and material well being. The organization and policies of the state take their form from these collective ideas which are ensured.

Socialism (Marx) is a way of life based on universal equality, predicated on justice on the basis of effort and ensures progress in life wherever man is born into a property situation that is equal.

Brains and brawn are the servants of justice, but they are a destructive force in the "Haves and Have Not" situation. Stealing of the people's property should be rigorously oppressed to the end. This would be a move toward humanism.

However, man is not without a heart and intellect. Without a heart, man could merely identify a color without sensing it. Pascal said, "Man forgets that God can be understood only with heart and not by intellect".

These two aspects are very much opposed to each other. History has proven that to hold to just one of these, mankind will not be able to be free from cruelty and oppression. Each is incapable of avoiding sentimentality and extreme doubt. Major wars of the future will not be able to avoid fear and unrest but merely delay their emergence.

In the East the dawn has come: The Pantjasila, a synthesis embodying all in one system of philosophy. Manipol/USDEK provides a fresh look on the future of the people and peace. Indonesia will make progress through revolution. Those who deny its coming will certainly be run over by the wheels of revolution.

General studies is one method of developing a socialistic mentality and a consciousness of citizenry that is obviously vital to Indonesia now. However, the interpretation as to its function should be adequately oriented toward the teaching of basic ideas, including studies in Indonesian socialism so that in the future it can serve as a foundation for the practice of the sciences.

There are many interpretations and some of which are misleading and in essence merely shroud the function of general studies. Generalization and the fractioning of specializations stand beyond the general studies and are not efforts that are reliable and timely. There should

be thinking applied to other than courses and curricula which are aimed at the national education problem.

Broad knowledge will shape the individual. However, an individualistic person quite frequently poses as a threat to peace. A scholar is thoroughly individualistic and quite capable of determining the consequences of the application of the sciences. However, often, they themselves are incapable of avoiding work done in making nuclear weapons that will destroy civilization. It would not be actually too rare for them to make a move of treachery against the people, inviting rape and terror.

What we need now are scholars who are (Indonesian) socialist oriented and who will serve in full devotion for the people and mankind. We have no need for those who, in disguise, create sabotage whenever opportunity avails itself and those who seek refuge from a life of liberalism, using weapons to keep and secure their safety.

The instilling of socialism can only be done by educators who are truly socialistic in outlook. And in this connection it would be well if the members of the DPA itself, or those who are influenced by it, present lectures on general studies in all higher institutions since it is from the DPA that the actual interpretation will come as to the meaning of (Indonesian) socialism. In this way, we can avoid private interpretations which are very embarrassing, rather we can develop scholars who are really (Indonesian) socialist oriented and who will be responsible for a future Indonesia that is secure, just and prosperous.

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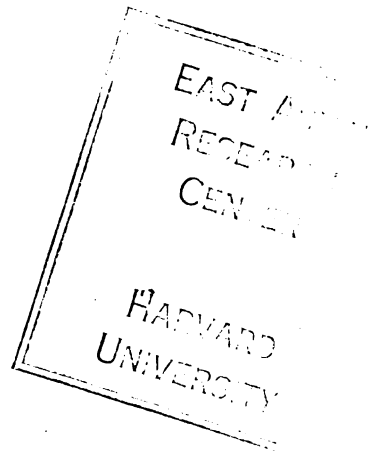
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6 January 1961

SELECTED ARTICLES FROM SULUH INDONESIA
(INDONESIAN TORCH) ON POLITICAL, FINANCIAL
AND MILITARY SUBJECTS

- INDONESIA -



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SELECTED ARTICLES FROM SULUH INDONESIA
(INDONESIAN VOICE) ON POLITICAL, FINANCIAL
AND MILITARY SUBJECTS
- INDONESIA -

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COMPOSITION OF WEST JAVA

MUTUAL-COOPERATION LEGISLATIVE ASSEMBLY

Following is the translation of an article entitled "Komposisi DPRD-GK Jawa Barat" (English version above) in Siluh Indonesia (Indonesian Torch), No. 39, Vol. VIII, 17 November 1960, p. 1.7

The Governor of West Java, Colonel Mashudi, stated to "Antara" [News Agency] that, after a final discussion with the members of the Executive Committee and their assistants, the names of the candidates for the Mutual-Cooperation Legislative Assembly of West Java would be forwarded to the Central Government (Minister of Interior and Autonomous Areas) on Tuesday. It was explained that after the "hearings" have been held with the groups concerned and after a discussion with political groups last night, the composition of the West Java Mutual-Cooperation Legislative Assembly Level I, in accordance with the policy of the Governor/Head of the Area, will be as follows:

The political groups receive 37 seats, i.e. 8 seats for PNI [National Party of Indonesia], 8 seats for PKI [Communist Party of Indonesia], 7 seats for NU [Moslem Scholars Party], 4 seats for PSII [Indonesian Islam Union Party], 3 seats for IP-KI [Association of Supporters of

Indonesian Independence], 2 seats for Marba [People's Party], 1 seat for PRN [National People's Party], 1 seat for Prim [possibly Moslem People's Party], 1 seat for Perti [extension of Islam Union Party], 1 seat for Partai Buruh [Labor Party] and 1 seat for Partindo [Indonesia Party].

The functional groups receive 38 seats, i.e. 10 seats for the Armed Forces (to include the Army, Air Force, Police, Area Security Organizations and Veterans), 7 seats for the religious sub-group (Islam teachers, Protestant ministers, Catholic priests), 7 seats for the Spiritual Development sub-group (Forces of 1945, intellectuals, Artists, Journalists, Youth, and Women) and 14 seats for the Material Development sub-group (farmers, labor, cooperatives, national entrepreneurs).

TASK AND DUTIES OF COMMITTEES OF
PEOPLES CONSULTATIVE CONGRESS OUTLINED

Following is the translation of an article entitled "Dasar Kerdja dan tugas MPRS ditetapkan" (English version above) in Suluh Indonesia (Indonesian Torch), No. 40, Vol. VIII, 18 November 1960, p. 1.7

The executive board of the Peoples Consultative Congress laid down the basis for the task and duties of the Committees of the Peoples Consultative Congress and set the deadline for the accomplishment of such duties. In a resolution of the executive board of the Peoples Consultative Congress it was stated that the basis for the task of the Political Manifesto Committee are: (1) the Decree of 5 July 1959; (2) the Constitution of 1945 and (3) the Presidential Order No. 1/1960.

With regard to the outline of the policy of the State, its responsibility is to deliberate and formulate a draft resolution aimed at reinforcing the Political Manifesto of the Republic of Indonesia as the policy of the State.

The basis of the tasks of Committees A up to and including F is to be: (1) the 1945 Constitution; (2) the Political Manifesto; (3) the Presidential Message to the

National Planning Ministry on 28 August 1959 (in a speech and in written form) with regard to the over-all development plan; (4) the explanatory Message of the President of 9 January 1960 regarding the over-all development plan; (5) the Message of the President at the opening of the first session of the MPRS [Peoples Consultative Congress] on 10 November 1960 and (6) the basic draft legislation on the 8-Year Development Plan (1961 - 1969). It is the responsibility of the committees to discuss and formulate draft outlines of the over-all development plan in the respective fields of the committees. The above resolution states that the duties of the committees must be accomplished by the middle of December 1960.

POLITICAL MANIFESTO COMMITTEE STARTED TO MEET.

The political Manifesto Committee headed by Roeslan Abdulgani held a meeting yesterday to discuss and formulate a draft resolution aimed at reinforcing the Political Manifesto as the policy of the State. According to reports, the committee formed a five-men body charged with drawing up the draft.

In the meantime, the joint committee met to hear an explanation by Minister/Head of the National Planning Ministry Prof. Dr. Moh. Yamin on the over-all development plan which is the product of the work of the National

Planning Ministry.

The assisting body for the MPRS /Peoples Consultative Congress/ organization, charged with the duty of assisting the executive board of MPRS in matters of organization, has been established and consists of 10 members.

The members are: K.H. Asnawi Hadisiswojo, Aminudin Azis, Djoko Sudjono, Suparna Sastradiredja, Rasjid St. Radja Emas, T. Sutendi (Airforce Major), Sudomo, Lt. Colonel Imam Safei, Police Superintendent Abdulrahman Setjowibowo and Himawan. This assisting body for the organization of MPRS will start its meeting on 21 November.

The executive board of MPRS established the following working hours for MPRS: in the daytime from 9:00 A.M. until 2:00 P.M. In the evening from 8:00 P.M. until 12:00 midnight. On Fridays during the day from 9:00 A.M. until 11:30 A.M. while the evening hours are the same. For Saturdays, the hours are from 9:00 A.M. until 1:00 P.M. while no sessions are to be held in the evening. No sessions are to be held on holidays. Thus, the hours for the sessions of MPRS.

EXECUTIVE BOARDS OF
PEOPLES CONSULTATIVE CONGRESS COMMITTEES

Following is the translation of an article entitled "Pimpinan Komisi-Komisi MPRS" (English version above) in Suluh Indonesia (Indonesian Torch), No. 40, Vol. VIII, 18 November 1960, p. 1.

The plenary session of MPRS /Peoples Consultative Congress/ last night accepted by acclamation the composition of the executive boards of the seven committees of MPRS, each of which consists of a Chairman and 4 Vice-Chairmen.

The executive boards of said committees are composed as follows:

(1) Political Manifesto Committee -- 47 members --
Chairman: Roeslan Abdulganî; Vice-Chairmen: Colonel Dr. Sudjono, K.H. Masjkur, Njoto and Dr. Sudarisman Purwokusumo.

(2) Committee A, which includes the field of mental and spiritual development and of analysis -- 84 members --
Chairman: Prof. Dr. Djokosutono; Vice-Chairmen: Mrs. Mahmuda Nawardi, Manueba, Air Commodore Sutojo and Siswojo.

(3) Committee B (Welfare) -- 57 members -- Chairman: Njono; Vice-Chairmen: Colonel Dr. Wonojudo, Fanani, Prof.

Dr. Triarkoro and Sudarsono.

(4) Committee C (Government and security/defense) -- 113 members -- Chairman: Police Superintendent Enoch Danubrata; Vice-Chairmen: Winarno Danuatmodjo, Harsono Tjokroaminoto, Anwar Datuk Madjo Basa Nan Kuning and Nungtjik A. R.

(5) Committee D (production) -- 112 members -- Chairman: Dr. Moh. Isa; Vice-Chairmen: Colonel Latif Hendraningrat, A. Achsien, Tjok Tik Tjoen and I.R. Loho.

(6) Committee E (distribution and communication) -- 71 members -- Chairman: Lt. Col. Pelaut F. Suak; Vice-Chairmen: Mardjuki Lubis, Murtadji Bisri, Sudojo and Mrs. Umi Sardjono.

(7) Committee F (funds and financing) -- 69 members -- Chairman: H. Zainul Arifin; Vice-Chairmen: Prof. Dr. Moh. Yamin, Colonel Badarusamsi, F. Runturambi and Dr. Subagio Reksodipuro.

DISSENSION REPORTED AMONG PERMESTA REBELS

Following is the translation of an article entitled "Saling bunuh antara gerombolan Permesta" (English version above) in Suluh Indonesia (Indonesian Torch), No. 49, Vol. VIII, 29 November 1960, p. 1.

WARROW'S FATE UNKNOWN AFTER HIS ARREST BY TIMBULENG.

Difference of opinion among the leaders of Permesta [Total Struggle Movement] about strategy and tactics regarding what they consider total struggle has caused the start of a struggle for power among themselves. Such was the explanation given by the Head of the Army's Central Information Office, Lt. Col. Soenarjo, yesterday.

Jan Timbuleng and his followers, known for their acts of terror even before the outbreak of the Permesta rebellion, were able to consolidate their strength. They became the object of the power struggle among the leaders of Permesta who wished to strengthen their respective positions. During the struggle for power, Jan Timbuleng and three of his loyal followers were assassinated on 9 October 1960 by Lisangan, his own Chief of Staff.

The assassination of Jan Timbuleng was carried out on orders from higher ups who in this conflict stood on the side of former Colonel J. F. Warrow, while Colonel H. V.

Sumual was on the opposite side of the struggle.

In his effort to strengthen his position, Sumual decided to reorganize his command and the area of action, by reducing the division of the shrinking Permesta from 4 combat area to 2 combat area, each of which was held by Jan Timbuleng and by former Colonel Tenges respectively.

WARROW ARRESTED.

This plan was not acceptable to Warrow and his followers because it would threaten their position. Under orders from former Colonel H. V. Sumual and Jan Timbuleng, ex-Colonel J. F. Warrow, who happened to be in the area of Jan Timbuleng, was then arrested. Until today, the fate of former Colonel J. F. Warrow is not known.

In this internal struggle, at least 2 or 3 Permesta battalions were destroyed. This form of internal struggle, conducted by the Permesta command, has been followed by Permesta followers with great anxiety. In order to avoid complete destruction, a great number of the members of Jan Timbuleng forces have gone over to the side of the Republic of Indonesia. As has been reported earlier, Captain Robby Parengkuan and 272 members of his forces, with 159 pieces of arms, in the middle of last October returned

to the ranks of the Republic of Indonesia at Tombatu.

In the meantime, the Permesta command, even though it is no longer a compact unit, for psychological reasons so far has not shown a willingness to accept the line of policy drawn by what is called the Associated Republic of Indonesia (R.P.I.).

"KALAHITAM", SECOND INDONESIAN SUBCHASER

LAUNCHED

[Following is the translation of an article entitled "Kalahitam" pemburu kapal selam II dilantjurkan" (English version above) in Suluh Indonesia (Indonesian Torch), No. 51, Vol. VIII, 1 December 1960, p. 1.]

PRODUCT OF INDONESIAN LABOR AND SKILL.

"Kalahitam", a subchaser of the Republic of Indonesia, built by the Navy Establishment (P.A.L.) in Surabaya for the Navy of the Republic of Indonesia, was launched last Monday evening at 8:55 P.M.

"Kalahitam" glided into the water from its dock after Mrs. R. E. Martadinata cut the rope from the mooring. As the ship hit the water, those who attended the ceremony of the launching waved and applauded, joined by the labor of P.A.L.

Mrs. Martadinata wished god speed to the Director of P.A.L., Lt. Col. Sujono, followed by good wishes from the other authorities who were present. Lt. Col. Sujono then shook hands with some of the employees and the P.A.L. labor who watched the launching.

LAUNCHING OF "KALAHITAM" SHOWED ABILITY OF P.A.L.

Minister/Navy Chief of Staff Rear Admiral Martadina-

ta, who could not attend the ceremony of the launching of "Kalahitam", stated in his written message which was read by Lt. Colonel Sujono that "Kalahitam", the second sub-chaser to be launched at P.A.L., showed the ability of P.A.L. to produce with the assistance of national mind and efforts.

It is hoped that the launching of "Kalahitam" will be the beginning of a continuous production of the Navy Establishment.

In his speech, Lt. Col. Sujono expressed his sincere appreciation for the efforts of those who participated in the building of "Kalahitam".

The shipyards of P.A.L. will continue to build ships so that the time will come when the people of Indonesia will no longer have to obtain ships from foreign countries. It is hoped that the completion of "Kalahitam" will prove "Jalesveva Vajamane" (at sea we shall be victorious).

SECOND SUBCHASER.

The Indonesian ship "Kalahitam" is the second sub-chaser built in Indonesia and completed by Indonesians, the first being the subchaser "Kelabang".

The length of R.I. "Kalahitam" is 45.75 meters, the beam is 5 meters and the displacement 147 tons, with a

cruising speed of 18.6 miles per hour and has accomodations for 25 parsons. Her armament is the standard armament for subchasers.

BUDGET FOR 1961 DISCUSSED BY CABINET

Following is the translation of an article entitled "A B 1961 dalam Kabinet" (English version above) in Suluh Indonesia (Indonesian Torch) No. 52, Vol. VIII, 2 December 1960, p. 127

TO BE COMPLETED BEFORE THE START OF BUDGET YEAR.

The plenary session of the Working Cabinet held yesterday at the Independence Palace concentrated on the discussion of the State Budget of 1961.

The plenary session, attended by all the Ministers, started at 9:00 A.M. and closed at 3:00 P.M. under the leadership of President Sukarno.

As it is known, starting with 1961 the Government adopted a different system than in previous years in drawing up the budget. For the coming year of 1961, the Budget will include a Budget for Development and a Budget for routine expenditures and non-development Reconstruction.

IN HARMONY WITH DECISIONS OF THE PEOPLES CONSULTATIVE CONGRESS.

According to the Minister of Information Maladi, the State Budget for 1961 must take into serious consideration

the decisions taken by the MPRS [Peoples Consultative Congress] with regard to over-all National Development Plan and its financing.

In order to assist the President in the task of establishing an equitable budget which would include the financing of the over-all development plan to be adopted by MPRS, a Budget Committee was formed, headed by First Minister Djuanda and further composed of the Minister of Finance, the Minister of Foreign Affairs, the Minister of National Security, the Minister of Production, the Minister of Distribution, the Minister of Development, the Minister of Education and Culture, the Minister of Information and the Minister of People's Energy Mobilization (Sudibjo). As members and assistants of the Committee, the Governor of Bank Indonesia, the President of the Over-all Development Bank of Indonesia and the Treasurer General have been appointed.

This Committee is expected to submit its report to the President as soon as possible.

YEAR OF 1961 WITH A 1961 BUDGET.

The Minister of Information Maladi, in reply to a question submitted to him, stated that in accordance with the development plan for Indonesia, the center of gravi-

ty of the 1961 Budget is duly placed on the over-all development plan. The total amount of the 1961 Budget can only be determined after the decision on the development plan has been taken by MPRS, in order to avoid any possible discrepancies. In essence, the State Budget which has been determined by MPRS is binding.

In his statement, Minister Maladi emphasized that before the beginning of 1961 the matter of the State Budget for 1961 will be determined so that the new year will be started with the implementation of the budget, based on what has been decided upon. Thus, the statement of Minister Maladi.

DEVELOPMENT PLAN TO BE SUBMITTED TO MPRS PLENARY SESSION NEXT SATURDAY.

Acting Chairman of MPRS, Chairul Saleh, in the meantime declared that MPRS is at present occupied with the task of drafting Resolution No. II/MPRS/1960 regarding the over-all development plan, together with its informal opinions to be attached to said resolution.

It is hoped that the matter will be discussed in the MPRS plenary session next Saturday and it is hoped that it would be ready then to be decided upon. The resolution of MPRS No. II/MPRS/1960 will be submitted to President

Sukarno in Djakarta after the State Guest probably: General Ayub of Pakistan has left Indonesia.

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END

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8 February 1961

ECONOMIC INFORMATION ON INDONESIA

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FOREWORD

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ECONOMIC INFORMATION ON INDONESIA

[Following are the translations of articles on the above subject, selected from various Indonesian sources. Source information accompanies each article]

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- a -

RELATIONSHIP BETWEEN NATIONAL INCOME AND DEVELOPMENT

[Following is a translation of an article by Doctoral Candidate Moeljatno S. in Mimbar Indonesia (Pulpit of Indonesia), 1 October 1960, pages 9 and 11].

It is absolutely wrong to think that national income and income of the government are one and the same. The income of the government is derived from taxes, profits of the nation's industries, etc. and is only a small part of the national income. This is because national income is the sum total of all the energy and activity of a nation, usually added over a period of one year.

It must be clear that discussing the national income and the income of the government are two different things. A discussion of national income has a much wider scope than one of government income.

In general, the problem of national income may be considered the essential point of all the problems of economic planning. This is also stated in the old Five-Year Plan of the National Bureau of Planning. There it was first roughly ascertained how much, expressed in percentages, the national income will have to grow to enable us to ascertain the size of the investment necessary to increase production in every field in order to raise the standard of living. National income therefore appears to be the fundamental part of the mentioned Five-Year Plan. In addition to national income being the main target for estimating investment as mentioned above, it has many more uses when we connect it with problems of development.

It looks like a good idea to mention several uses of national income: to explain more clearly its connection with the present period of development of our nation.

1. Investment policy, the extent of which will be dependent on the desired increase in national income, has to be used as efficiently as possible in those economic areas where the production needs to be increased. When one knows the total size of the production factor of the national income and the results of every sector of industry, all that remains to be selected is the particular sector that needs an increase in production.

2. The national income can then be used to analyze the extent of the creation of new capital in the governmental, private and rural sectors. This enables us to compute the growth of new investments so important for an investment program.

3. The problem of national income can further be used to decide the direction the development (industrial, agrarian, etc.) is taking.

4. Finally (there are indeed many more uses) the national income is used to measure:

- a. Level of wealth of the people, by means of the size of per capita income published in the annual estimate.

- b. Level of productivity and marginal productivity of the factors of production.
- c. Level of inflation, by comparing income expressed in currency with real income.
- d. To discover the results, if any, of the original program.
- e. Finally, to measure also private, government and foreign activity in the process of shaping production and income.

The above mentioned explanations are sufficient to show us that every development program (provincial as well as national) not based upon national or provincial income figures is like a program without direction, or guesswork that can be the cause of a wrong trend in development.

There are three stages in computing national income.

1. Gathering of statistical material
2. Preparing this material
3. Analyzing the prepared material

Activities under 1 and 2 are similar to statistical work for research, surveys and similar things, while activities under three can be compared with the measuring tool, deciding the wisdom in leading, shaping and computing programs of economic development.

It must be admitted that in Indonesia the necessary material is as yet far from complete. Many aspects of the development programs (national and provincial) are based only on guessing and trial and error. This is an altogether insufficient foundation for justifiable computations.

It is evident from the computations of Neumark (former expert of the National Bureau of Planning) that:

1. A huge percentage of our national income (between 50% and 60%) has its origin in the agrarian sector. In other words, we still depend to a great extent on agriculture. Its expansion depends on the available land and the state of our tools.
2. Our per capita income is still low. If the figures of Neumark are right it is still lower than in 1938 (1938: 39 florins; 1951: 35.5 florins or 905 rupiahs; 1952: 34.4 florins or 1,033 rupiahs annually).
3. There is an inflationary tendency, which means a distinct decline in the value of the rupiah, or that it is by no means certain that what appears to be our income at first glance is increasing, although expressed in currency it appears to be increasing.

We have to analyze the three-way evidence resulting from the figures of national income to decide upon a method of getting a clearer understanding of economic development.

Re 1: It is clear that our economy is badly balanced; it is of agrarian nature. The following can be said of an agricultural nation:

- a. Its economy is susceptible to foreign influences. We have to import many essentials from foreign countries. We are therefore forced into a very weak position. Our export is on the other hand dependent upon the economic outlook abroad, and as vendors of raw materials our position is also not strong.

b. For its expansion, agriculture depends upon two conditions that can hardly be changed: the soil and the world situation. This causes the increase in agriculture not to match the great growth in population.

c. Such a structure of agriculture is the cause of the undynamic attitude of the people. This is also the reason that the population as a source of energy is piled up in one place or island. Manpower resources are therefore badly balanced.

Re 2: This appears indeed to be the consequence of what we mentioned under 1b. The unemployed inhabitants of Java must therefore be moved to agro-cultural areas on other islands that can still be opened up, or new industries will have to be founded. Thus, the prosperity we are looking forward to is yet in the far future. When we start figuring, we find that the per capita income is only about 3.00 rupiahs per day, which appears to be only the bare minimum necessary for proper living in our free country.

Re 3: Inflation of prices or the slipping value of the rupiah show that the increase in the circulation of currency does not balance the increase in the flow of products. There are four situations that cause inflation:

- a) Flow of products is steady--with money circulation increasing
- b) Flow of products decreases--with money circulation increasing
- c) Flow of products decreases--with money circulation steady
- d) Flow of products increases--with money circulation increasing

It is clear that as long as we experience one of these situations (a, b, c and d) we will notice a declining value of the rupiah.

This inflation of course stimulates investment, but this stimulated investment will not be able to produce new industries to match the increase of currency in circulation. Consequently the problem of investment remains difficult, a condition generally found in underdeveloped nations. This inflation results in increased pressure on the living conditions of the people of Indonesia, the great majority of whom have only their own energy to invest. The more their real income decreases, the more their purchasing power declines until the desire to invest in the country disappears. The increase in money finally piles up and circulates in the financial centers, resulting in:

- a) The spiral of inflation in the cities
- b) Deflation in the villages and rural areas

In other words, we now face a disturbing influence in the financial, credit and expense situation that saddens us.

Final observations and conclusions:

The national income figures and the above described thoughts must be used to good advantage in the following methods that will lead us to prosperity:

1. Clear and honest planning and development looking to concrete results. The amount of our planning based on guesses has to be diminished because it results in loss of capital and energy. A clear basis is therefore essential.

2. We will have to change the structure of our economy fast. Industrialization on a great scale looks like one of the methods of changing the economic structure and improving the standard of living.

3. The inflationary tendency has to be used as a compass to guide our investment policy; it should be directed toward those areas where the increase of production must be greater than the increase of the money circulation needed for these investments.

THE DJATILUHUR HYDROELECTRIC PROJECT

[Following is a translation of an article in Pedoman (Compass)
11 October 1960, p 1.]

The various projects for Djatiluhur, close to Purwakarta, will be completed, according to the timetable, in 1964. These projects include water supply, electricity, flood control, fisheries and, when finished, tourism. That is what Antara [a newsagency] learned from the Department of Construction and Energy during yesterday's tour of the project.

The main intention of this project is to dam the Tarum river with a dam about 100 meters high, which will create an artificial lake of 8,000 hectares, having a capacity of 3 billion cubic meters. This lake is for water storage. The surplus of water in the rainy season will not be wasted, but stored to be used in the dry season.

When the lake of Djatiluhur is completed and the irrigation system installed, 240,000 hectares in the plains of Bekasi Tjikampek and Tjipunejara will yield two harvests per year.

In comparison with the present situation, this will result in an increase of the rice harvest of 300,000 tons annually, and this means savings of foreign assets used to buy rice abroad of \$37,000,000.

Downstream from the Djatiluhur dam on the Tarum is located the Walahar dam. It can irrigate during the rainy season 80,000 hectares and in the dry season 10,000 hectares.

As an extra result, without additional water works and expansion of the irrigation system, the Walahar dam will irrigate in the dry season also 80,000 hectares. This means 70,000 tons more rice per year (foreign assets savings of \$8,000,000 annually).

The construction of a river dam causes an increased difference between the water level inside and outside the artificial lake. This will be used to generate electricity.

Six turbines will be installed, each of 25,000 kw capacity; the amount of electricity generated per year will be 700 million kw hr.

Lake Djatiluhur will look like an enormous fish pond. According to the Department of Fresh Water Fisheries, 800 tons per year of fresh water fish may be taken from this lake.

Total development expenses, including high voltage wiring from Djatiluhur to Jakarta and Bandung and the expansion of the electrical connections in those cities, were originally estimated to be \$70 million but have increased to 100 millions.

10,319

GOVERNMENT CREDITS FOR NEW RAYON FACTORY

[Following is a translation of an article in Pedoman (Compass) of 10 October 1960, page 2.]

The head of the Bureau of KDH [abbreviation unknown], M. A. Nawawi M. A., explains that the Central Government has made a definite decision regarding the construction of a rayon factory at Semangus and regarding its location, starting date and available capital.

From the start the provincial government decided that this development project was not to be handled on a small scale, and it has therefore undertaken to make it as good as possible.

He explained that the people of the province where it will be built have received it enthusiastically. In this connection, according to M. A. Manawi, the people have already prepared a location of 10,000 hectares which will be presented for this purpose free of charge to the government.

It is the intention that Professor Engineer Kosasih and Sapar Bey of the Department of Basic Industries will arrive in Palembang on 10 October to finish the problem of the land that has already been made available by the people of this province.

Finally we learned that the Central Government has already made available 10 million rupiahs as starting capital. The construction of the plant will start next year, close to the station Hudjan Mas.

DECISIONS OF THE INTER-SERVICES CONFERENCE OF THE BANK OF INDONESIA

[Following is a translation of an article in Pantjajawarta (Many Reports) 10 October 1960, page 1.]

The management of the Bank Negara Indonesia conducted its sixth inter-services conference 3-7 October 1960 in the presence of all heads of districts, branch managers of offices in Indonesia, Singapore and Tokyo. On the basis of discussion, a better understanding was reached between top management and branch management in regards to the policy to be followed in managing the Bank Negara Indonesia. The conference also formulated in the rough the outlines for the work program for 1961.

Personnel policy

The conference realized the personnel policy to be the most important factor in carrying out the work of the bank.

Proper and conscientious attention was paid to the problem of capital. Its policy was worded in a document of expenses of the Bank Negara Indonesia.

Decisions were written down regarding rights and duties of the personnel of the bank that has as its most important function carrying out its mandate regarding the sufferings of the people.

Bank business

The agenda of the conference regarding banking activities was divided into:

- (1) Activities inside the country
- (2) Activities abroad

Of the internal activities the problem of credit was most urgent.

The credit policy is in accordance with the decision of the Government and the flow of credit is directed toward the sectors of import and export.

A great portion of the expenses for import and export have been allocated to government and other licensed enterprises.

Other sectors, such as distribution, received as much attention as possible from the point of view of political and economic monetary development as well as regarding the financial strength of the Bank.

In 1960 loans amounted to about four billion rupiahs.

Mutual understanding as well as good relationships between the Bank and its customers are very necessary in the interest of both sides.

Giving service

In addition to extending credit, the Bank provides the community with the following services: remittances of money, checking account services, deposits and savings accounts, collections of letters of credit within the country, sale and purchase of stock, etc.

Progress was also made in these sectors; which means that the people's trust in the Bank Negara Indonesia has increased.

In August, savings operations were started in Djakarta as a pilot project, the intention being in the first place to mobilize the funds the people are hoarding.

The result was very satisfactory, so that very soon the savings passbooks were even in short supply.

Service to and relations with the people

In accordance with the expanding activities of the Bank, constant efforts are made to provide the best possible service to customers and to the public in general. To reach this goal the following methods are used, among others: education of the personnel and improvement of operations.

In addition, the Bank Negara Indonesia is itself obligated to be a special institute that has to intensify its contacts with society to make the people be acquainted with and use its good services.

10,319

TRANSISTOR RADIOS FOR HINTERLAND GOVERNMENT OFFICIALS

[Following is a translation of an article in Pedoman (Compass)
11 October 1960, page 2.]

The Department of Industry of the People is actively engaged in distributing inexpensive radios for the remotest village governments that have no electricity.

Those entrusted with the execution of Manipol/Usdek feel the great necessity of giving information to the people in all outlying places. Many transistor radios that operate on batteries are therefore needed.

The general price for such a radio made by Transistor Radio Co. in Tjawang, Djakarta of 6300.00 rupiahs is considered too high for the financial strength of the village population. The Department of Industry announces that it has made this year 17,500,000.00 rupiahs in foreign assets available to buy these radios. The remotest village governments will thus be able to buy them for 3,450.00 rupiahs.

These transistor radios use six batteries sufficient for 1,000 hours. When they are exhausted it will not be too difficult for the people to buy new batteries, since the price is not high.

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POLITICAL INFORMATION ON INDONESIA

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POLITICAL INFORMATION ON INDONESIA

[Following are translations of articles on the above subject, selected from Indonesian sources. Source information accompanies each article]

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THE PLACE OF INDONESIAN POLITICAL PARTIES

[Following is a translation of an article by Sjami D. N.
in Mimbar Indonesia (Pulpit of Indonesia) 8 October 1960,
pages 13 and 14.]

I am convinced that no matter how much the elements of democracy in their generally accepted sense are shriveling up, the right of freedom of speech is living in a guided democracy. We will have to confine it to a narrow spot, though.

In a narrow place, certainly only liberties that go wild will be unable to find a right to live. We are therefore fortunate to find vast and satisfying aspirations instead of the commotion we experienced for many years as a result of liberalism.

Is it really fortunate that we find ourselves in such a situation? I think that history has given us an adequate reply, looking at it in the light of the laws of the revolution as well as the ideas thesis-antithesis-synthesis, resembling a cycle of phenomena.

I believe that in this connection we can introduce the problem of the party system in Indonesia. This is the fundamental problem, according to Ali Sastroamidjojo of the provincial army command of West Borneo, South Sumatra, and South Celebes.

It is strange that the people only now are feeling threatened in their position. Were they not long ago already afflicted with tuberculosis? That sickness of dry cough tightening the chest, cough which they tried to suppress as they wanted to adhere to the doctor's advice.

Surely, if they had given in to the itching throat and vomiting blood, sudden death would have been the result. However, how long will they remain alive when these microbes start to crawl all over?

But what is life anyway without the possibility of stretching one's legs? Lean and shriveled as that Aki in the story of Bung Idris, who at best was able to strum the guitar.

Who, just to console his heart, could play the guitar during twilight to revive romantic memories of the times he spent with a girl. But what does egocentric love of bygone years mean when people spoil the sweet beauty of this world while honeymooning in the villas around the Puntjak [weekend mountain resort of Djakarta]?

If one could smile in sympathy it would not become more than a bitter reaction. Bitter salute to a nearby and much feared death. Do we have to expose these faults? Is the above mentioned sickness not

the result of obesity while tasting all the food in the restaurants around the Puntjak?

In Mimbar Indonesia, number 37 of 10 September 1960, my colleague Zobeir A. Hadid touches upon this problem. But comrade Zobeir takes only a problem that was during that week very topical. Yet what is wrong about it when I discuss in passing the happenings that preceded it? I shall repeat the course of events. People think about the problems of the revolution in all kinds of manners. Based on these ideas we try to approach the present balance of power to predict the near future.

We just start at the time before the revolution of the PRRI PERMESTA [Partai Rakjat Republik Indonesia - People's Party of the Republic of Indonesia]. It begins with Ahmad Husein and Ventje Samuel with their demands on the central government. Important was their demand for money to begin with. They explained it to be for the development of the province, whereas the development was being undertaken by the people themselves according to the system of mutual assistance. We repeat mutual assistance. But it was probably like the system of building roads on Java under the Dutch. Another reason was their accusation about widespread corruption in the center of government. On the contrary, as soon as these people received money from the central government they started to stuff their own stomachs.

Apparently because the government did not want to quarrel, it opened the public purse. So the trickle of inflation was opened up again to unite with the deficits of the provinces that had not been covered for years. The hope of the government to increase its foreign assets grew dim because the provinces started a barter system. Even in front of the gates of Tandjong Priok it was demonstrated how weak the measures of the government were at that time.

In this matter the government twice deserted its principles. First it was forced to accept the mockery of its representatives in the provinces. The second time it was forced to accept the burden of inflation because it surrendered to the claims of the provinces.

This evidence made the challengers of the government bold enough to say that if they were to cut the ties with the central government completely, it would die without a sound, not being able to pay its civil servants. On the other hand this opinion caused these people to make an even bigger mistake in their calculations. They thought that the central government would share the same fate as capitalism, that is, digging its own grave by way of permanent crises.

Fortunately this error also enabled our government to maintain itself. If this had not been the case, we would have witnessed the bitterest provincial fragmentation in history.

At first the challengers of the government presumed that it would retire with one blow, but after the second they delivered a senseless coup. In this situation their only adversary was Ali Sastroamidjojo, who quickly returned his mandate to the president. He was apparently unable to cope with the small dignitaries just emerged from the revolution

with some little knowledge of politics. However, neither Ali nor Djuanda (the engineer) himself, but a great part of the population remembered history; all alone they had to face small party bosses who represented the people.

Who emerged during these critical moments? The dignitaries of the big parties so clever in Parliament? Or did an angel from heaven descend to whisper in their ears to keep in mind that the series of events would force them to the edge of the jungle?

Everybody was waiting for Sukarno. The people don't idolize him, but in their fear they said: we hope that Sukarno's wisdom will overcome these problems.

I don't know whether we realized it, but the formal power of the cabinet based on the confidence of Parliament had indeed been transferred a long time ago to the hands of the president. This time he did not just keep silent as he had done so many years as constitutional president. He was certainly tired of looking at the faces of party dignitaries whom the prime ministers installed as ministers. An inferior kind of compromise trading had propelled these dignitaries to the palace to be installed as ministers. Less than a year later they used to be as crippled as the old donkey outside the building of Parliament.

Was it not only human that the president had enough of it? Again and again he received statements from the prime ministers that their cabinet would return its mandate. The day after, he looks again for a new face to form a cabinet while keeping in touch with party dignitaries. These people are then proposed by their parties.

It is only human that Sukarno often pondered on this: if he did not, we may say that he possesses the political sharpness that Stalin had before World War II. During interim periods, he can only ask his own advice. Are there indeed other people who possess more influence than he? Does not every important occasion always await his presence, and is this not a clear sign that no other people can solve these problems? Can the revolution proceed guided by persons who surrender quickly? Would it not be better if his personal influence were used to continue the revolution for a happy country? Would he not be accused of being a dictator? Where is the real essence of that dictatorship? How to defend your principles when people call you a dictator? Well, every philosophical question also contains its own philosophical answer.

This is more or less what the president was pondering. Then he arrived at the conclusion to appoint himself to form the first Karya [work] cabinet.

The underlying views and considerations in his suggestions have not received enough attention up till now, neither from the cabinets nor from the party dignitaries who still hoped for political stability from the democratic liberal system.

When they heard that Sukarno had appointed himself to form a cabinet, the politicians became panicky because this action was unprecedented. There were no constitutional provisions to permit a

constitutional president such action. Sukarno could not possibly have any other intention except becoming a dictator.

Sukarno's assumption that he would be accused of dictatorship was not wrong. But he would not be leader of the revolution if he had retreated one step from his viewpoint. We must consider this without asking ourselves whether each of his thoughts contained the answer needed by the revolution, with its many facets.

In short, his distinct personal influence in all proceedings are well known from the very beginning of the national movement. He can therefore turn to his experience in the struggle of his PNI [Partai Nasional Indonesia - National Party of Indonesia] and his knowledge of world revolution. The French revolution brought Napoleon forth, who, although hated by a certain part of the influential people, up to now has received quite some praise. The Bolshevik revolution has its leader, Stalin. The present leaders of Russia now consider him a scoundrel. Nevertheless, an honest acknowledgement without involving ourselves in the Communist conception shows that it was exactly Stalin who was the founder of Russia that now can navigate in outer space.

The panic of the political bosses became clearer after the president ordered the return to the constitution of 1945. This resulted in quick withdrawal of the council for the preparation of the constitution. His next move was to dissolve Parliament, but before that he had already altered the measures for reconstruction of the government and the equipment of the country.

These measures inspired interpretations of the law. Could these measures be accounted for or not? Was the decree of the president imposed upon the constitution or parallel with it? Should the decisions and measures of the president really be legalized by Parliament? Once more, for the president philosophical questions contain their own answers. He knew what was behind all those questions and answers regarding his actions.

I feel that the criticism of Sukarno in this respect is no more than a drive without substance. It may share the fate of the Greek orators of the Middle Ages.

We don't have to repeat which instruments of government have already been overhauled by Sukarno. Most important for us are therefore the facts and not what the parties are now thinking of them. That laws that have not even yet a constitutional basis are endangered does not exactly disturb us.

So now the events are more or less connected; as a red thread around the throats of the political parties. And what is more, when this thread is stretched forward all the way, little pale dolls are seen dangling from its very end.

Because the present situation is connected with Presidential Decree number 7-1959, which put a noose around the necks of the political parties Masjumi and PSI [Partai Serikat Indonesia - Union Party of Indonesia] we should take a look at the events surrounding the organization of Peperda.

Why exactly were the above mentioned parties hit by Presidential Decree 7-1959? Because it is generally known that dignitaries of these parties were involved in the revolt of PRRI and PERMESTA, while these parties themselves never condemned the dignitaries that were involved.

Because the attitude of these two parties rather confused the government. It was even possible that because they were not ready to support Manipol and Usdek, this final blow had to bring them down. These are the corpses of that Aki [term unexplained in source], the first ones in history to be covered by Presidential Decree 7-1959 as the tombstone. Is Aki really dead? In a formal sense of course, but we don't have to cry about it.

After the death of the two Akis there are other people that must become Aki because these people cannot live through this age. No matter in what manner it may come, their death cannot be prevented. In spite of Buddha's teachings, that man will not die direct and straight. He just roams around in a more intimate incarnation before he reaches heaven. But is this also the case with political parties? We leave the question to those who like to answer it.

It appears that the death of these two Akis was received with boisterous support by those who did not want Aki to live. Even before Aki's last breath they felt it necessary to speed up his death.

Now those who are still living want to grab Usdek [term not explained in source]. Everybody claims the right to possess it. This is because Usdek itself is not as foolproof as was hoped by those who fathered it. They had hoped to give it magic power of justice.

This can be observed in the everyday language that has clearer tendencies to balance the viewpoints within the society. So expressions sometimes do not reflect what really lives in heart and soul. This is proved by the existence of symptoms that try to play the government and its executive organs off against each other. Symptoms that want to turn the course of Manipol to the North and South Pole; until even the birth of Manipol is perverted to serve the state of paralysis of these people.

The people who just seek Sukarno's shelter for political advantages can turn the president, who sincerely wants to establish socialism quickly, into an Ingker [a kind of squirrel from Borneo's interior that can look in all directions by turning its neck like a pivot].

But I am convinced that Sukarno will outwit them by realizing that the right answer lies in the National Front that he founded. When the still living parties want to exert their influence over the masses, the National Front, very much like a mass organization itself, can be mobilized in a much more practical manner. As once Aki did, the parties that wish to fight its strength could thus find their own grave.

When the present situation works out smoothly, we see a state party in the future. This could possibly mean the tombstone for the next Akis. Even so, there are still many questions. Will the system of one party or a national party improve the conditions under which

socialism can be materialized? The future will give the answer. We may only hope that future generations will not become so dumb, blind and idiotic as to take their own future for granted.

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THE PROBLEM OF FREEDOM OF THE PRESS

[Following is the translation of an article by Zobeir
A. Hadid in Mimbar Indonesia (Pulpit of Indonesia)
8 October 1960, pages 5 and 6]

At the end of September of this year, upon instructions of Peperti [Penguasa Perang Tertinggi - High Command of the Armed Forces] four printing offices were seized in Djakarta and one each in Bandung, Semarang, Surabaya and Makassar. This seizure forces all the newspapers that were printed by these enterprises to stop publication, except for the daily Pikiran Rakyat [Thought of the People] in Bandung, probably because the West Java Command is allowed to use its own judgement in executing the order of the High Command. The daily papers that are forced to stop their publication through this seizure are: Berita Indonesia [News of Indonesia], Pedoman [Compass], Abadi [Eternal], Duta Masyarakat dan Nusantara [Envoy of Society and Archipelago] in Djakarta, Suara Merdeka [Free Voice] in Semarang, Suara Rakyat [People's Voice] in Surabaya, and Pedoman Rakyat [People's Compass] of Makassar.

It is known that the reason for the seizure is that these printing offices, bought with government credit, are thought to be used or going to be used to interfere with the public order and peace and the Manifesto Politik [Political Manifesto, a part of Sukarno's speech of 17 August 1959] that has become the guide for the nation. Probably for this last reason, i.e., interference with the execution of the Political Manifesto, the publishing license of the newspaper Nusantara [Archipelago] was completely revoked by the Command of Greater Djakarta in accordance with instructions from the High Command. This paper is known to be very anti-communist and is headed by somebody whose attitude during the time of armed revolution is open to criticism.

When one pays attention to the names of the papers that are unable to publish on account of the seizure, except perhaps the daily papers Duta Masyarakat and Berita Indonesia, prejudiced people may consider the seizure as killing the press that is thought to be right wing, liberal and in opposition to the government. But such prejudice is untrue and unfounded, as proved by several explanations that can be believed by those who want to believe. The first and most important proof is the explanation of the Minister of Information, Maladi, that only the printing offices were seized, while the newspapers that were stopped (temporarily) may be printed soon again, in the beginning under firm conditions, or may look for other printers. This last

solution is theoretically possible, but practically impossible on account of the limited capacity of the existing printers or those not seized by the government.

The second proof is that the publishing license of the daily paper Nusantara was revoked, while this was not the case with the other papers hit by the seizure. This is another sign and indication that it is, of course, not the intention of the government to kill the papers that are (considered to be) not in favor of USDEK [UUD 1945, Socialisme Indonesia, Demokrasi Terpimpin, Ekonomi Terpimpin, Kepribadian Indonesia — Constitution of 1945, Indonesian Socialism, Guided Democracy, Guided Economy, Personality of Indonesia] and the Political Manifesto. Other proof is that Pikiran Rakyat [Thought of the People] is still appearing in Bandung, although its printing establishment, as we explained above, was seized by the government. It is clear too that there are still several other newspapers all over Indonesia that may still publish, although they are considered to be of the right wing and liberal, or opposed to USDEK and the Political Manifesto.

It is, of course, wiser for the government not to "kill" newspapers that are supposed to be opposed to the Political Manifesto. As long as they pay attention to the law and do not oppose in a wild and disorderly manner the government program and the Political Manifesto by using all kinds of ruses, instigations, falsifications and evidence that is twisted out of shape. Just killing papers considered to be of the opposition looks like giving ammunition and gunpowder to the anti-government parties. The head of the Army Information Center said in his commentary on the seizure of the printing offices that it will be of influence on the problem of peace and that is exactly what needs to be improved. The newspaper of the PNI [Partai Nasional Indonesia - National Party of Indonesia] Suluh Indonesia [Torch of Indonesia] wrote in a comment on the seizure that the freedom to express one's thoughts and convictions verbally and in writing is guaranteed in the UUD [Undang Umum Dasar - the Constitution]. Therefore anti-government circles will certainly seize upon the opportunity to accuse the government of breaking the constitution, should the freedom of expressing one's opinion verbally or in writing be attacked. The government may stop the opposition newspapers, but certainly not all the voices that circulate whispers and poisonous rumours — probably much more dangerous than printed matter.

It is logical and there can be no controversy about it that the government, whose duty it is to follow the course and the ideals of the country, is obligated to eliminate all elements that thwart and hamper that duty. This includes the press, the most vital instrument in shaping public opinion. But in taking measures against the press, the government must make a difference between those who clearly use all kinds of ruses to thwart and hamper the execution of the Political Manifesto and those who are still mixed up and assume an attitude of wait and see. The last mentioned kind of press is not yet on the side

of Manipol [Manifesto Politik], but does not oppose its execution and limits itself to bringing up discussions. To this kind of press as Col Basuki Rachmat, chairman of the Committee to Revise and Guide the Functions of the Press, declared, sufficient time has to be given to come to terms with the atmosphere of Usdek.

In the meantime it remains a problem whether the papers that have been given time to come to terms will also be allowed to exercise their journalistic activities, although after some time they still have not officially declared themselves on the side of USDEK and the Political Manifesto, but during that period also did not exercise any activities that can be considered as hampering the execution of the principles that have been explained as the course and compass of this nation. Probably on account of the vexing nature of this problem, the people have not yet received any clarification from the Committee to Guide the Press, whose duty it is to explain this problem. As a sample of this problem, we take, for instance, the English language newspaper Times of Indonesia, published in Djakarta. Up to now this paper has not officially indicated through its articles and editorials whether it is in favor of the Political Manifesto, but it can not be accused of being an enemy of the policies of the government.

The US is often criticized on account of its current policy that may be worded as follows: "Those not in favor of America are against America and therefore enemies of America." It is clear that this policy is not correct, because between America (the Western Nations) and the USSR (the Communist bloc) are countries that pursue active and independent policies, convinced that they play an important part in creating a peaceful world without tying themselves, or because they do not tie themselves to a bloc.

The Committee to Renovate and Guide the Functions of the Press is obligated and qualified to decide whether the above mentioned parable will be applied to the Indonesian press.

GUIDE TO THE FUNCTIONS OF THE PRESS

[Following is a translation of an article in Pos Indonesia
(Indonesian Post) 9 October 1960, page 1.]

The Committee for Renovation and Guidance of the Press was today in session in the Ministry of Foreign Affairs to discuss the guide and compass for the press that will be published soon.

The secretary of this committee, Lt Col Hadiharsono, explained after the session that the discussions regarding the subject of the guide or compass to be published by the government are finished and the results will be sent to the president in the course of next week.

According to Hadiharsono, it is possible that this guide will be published next week, after the president has approved it.

When asked about the contents of the guide, Lt Col Hadiharsono said that it would be better to await official publication, but basically it will indicate how the publishers will have to behave and act within the framework of the Political Manifesto and Usdek (Socialist plan). In this manner the publishers will have clear and positive instruction on how to proceed, said Hadiharsono.

When asked if during the session, plans of the government to have its own publication or news agency were discussed, he denied this emphatically. He said that the work of preparing instructions and renovating the functions of the press was heavy enough to warrant a weekly session of the committee.

He also said that the work of this committee will not be finished with the announced publication of the guide, but that it will regularly convene for discussions and to study and watch the functions of the press.

According to Hadiharsono, many suggestions were received from publishers while the committee was studying the guide governing the functions of the press.

We are able to inform the public that the above mentioned session was presided over by its chairman, Colonel Basuki Rachmat in the presence of temporary Foreign Minister Dr. Leimena, Minister of Information Maladi, Attorney General Gunawan, Head of the Directorate of Information of Foreign Affairs Suska, Subagjo, who represents Ruslan Abdulgani, and Lt Col Hadiharsono himself.

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