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SELECTED TRANSLATIONS FROM INDONESIAN PERIODICALS

(Source Span: August 1960-March 1961)

Number 1

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FOREWORD

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Preface

Subjects included in each issue of this serial report will vary according to material available at time of publication. The source span indicates only the earliest and latest periodicals processed for any given report; the dates should not be construed as all-inclusive. Selections are full translations unless otherwise indicated.

Note: Selections from the newspapers Suluh Indonesia and Marhaen have been included in just this report.

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I. ECONOMIC

SOME ASPECTS OF ECONOMIC DEVELOPMENT IN THE DEVELOPMENT OF INDONESIAN SOCIALISM

[Following is the translation of an article
by Doctoral Candidate Mohammad Sisman in
Madjalah administrasi negara, Vol II, No
8/9, August/September 1960, pages 298-299.]

As we understand it, Indonesia must build in order to raise production and real income per capita. Looking objectively at economies (meaning altogether free from everything), the new development of a country in the "take-off" phase, such as the present Indonesia, must be and only can be done in the frame-work of a guided economy. Why must it be as a guided economy? To answer this, we should remember some important factors, namely;

1. the role of the government in preparing social overhead capita.

2. development with fundamental changes in the structure of the economy until the economy fundamentally becomes broad, resulting in an increase in the national income and the real income per capita.

3. the limited real sources.

4. the existence of interests having a monopolist position, influencing the livelihood of the people down to the villages.

In countries where industries have advanced, the growth of new production groups will be benefited, that is, good means of transportation, cheap electrical power, workshops, etc.. This requires the existence of external economies.

In Indonesia, as a country in the "take-off" stage, the following benefits could not be accepted by some one who, for instance, built a certain new production facility, because there are no social-overhead facilities and the like. In this way, if development is left as a "free fight," only the wealthy groups will invest their money. It is this group that forms as a monopolistic group, and the investing of capital is only in the field familiar to them. This means that the economical structure which now exists will be continued. Even though social overhead facilities are prepared, it is certain that new

production cells will stand, even though from the standpoint of society they may be important. Moreover, in a condition where there is inflation pressure (meaning a light inflation pressure, which cannot be avoided in development time), there is a greater tendency that the new production cells which will be built will only produce luxury items which will bring great profit. All these will prevent development with the goal of broadening the economy fundamentally in order to obtain a much higher national income and real income per capita; it will never be achieved in this way. An agricultural export economy with poor terms of trade will be created; resources will not be efficiently used for the benefit of the society, and the group having the monopolist position will live prosperously.

We do not wish this kind of condition, and it is clearly understood that to maintain conditions so as to be able to achieve the aim of development quickly, the government itself should carry out the development, and that the development should be done in the structure of a guided economy. Basic for the guided economy is the existence of economic planning.

How will it be afterwards? After the country has reached her "economic momentum" will it abandon the guided economy and permit liberalism to enter? or will the guided economy continue under communism or nazism? or will the economy be continued under Indonesian socialism? It is clear that from now on, the guided economy will be valid, and the guided economy will continue under Indonesian socialism.

Why is it so logical? The reason is, because the initial movement and the movement hereafter have been fixed by the instruction of the people's suffering, which created and shaped justice and prosperity, physically and mentally based on the features of the Indonesian personality itself, as portrayed in the formulation of the Pantja Sila [Five Basic Principles of the Republic of Indonesia], formed in the introduction of the UUD '45, and clarified again in the economical field in article 33, UUD '45. Why does article 33, UUD '45 guarantee the movement of the economy toward Indonesian socialism? Let us first see what the principle characteristics of Indonesian socialism are. The principle characteristics of Indonesian socialism are: family ties, mutual aid, and discussion. All three are a fusion between the elements of Indonesian socialism and the Indonesian personality. And these initial signs we found in article 33, UUDS '45, especially in paragraph 1:

Paragraph 1: The economy is arranged as cooperative effort, based on the family principle.

Paragraph 2: The production branch important for the country and that which dominates the desire of the livelihood of the majority of the people is the state.

Paragraph 3: Water, air, and the wealth found in earth is dominated by the state and used for the welfare of the people.

From now on, article 33, UUD '45 shows the existence of a "service economy", that is, the system of economy where the Government fixed the production branches which are carried out by the government and which production branches are handed over to the private entrepreneur with limitations carried out on a family basis, based on the capability of each in fulfilling their volunteer work for the interest of society.

Words such as: "which of the production branches will be handed over to public enterprise?" mean that the right of the enterprise to run matters is not given from the law of nature as it is in the liberal economy, but the right of the enterprise to operate is a right given by the Government, according to the realm of socialism. Furthermore, the production branches which are going to be given over to private enterprise have certain stipulations depending upon the social consciousness, which is pictured in a body when the society is being represented or even pictured under guided democracy in the Sesepeuh; the Sesepeuh which really felt which production branches are ruled by the wishes of the majority of the people.

In developing the economy within the structure of article 33, UUD '45, it is clear that the paramount thing to be taken into consideration is that the resources found in society should be put to work for development in a maximum and rational way. The word maximum has the meaning that there is a boundary other than that limited by capacity towards development; it is also limited by the guidance of the right to build a just and prosperous society.

1. Justice from person to person, towards one's fellow man, where justice shows itself as a creation, notion, wish, man's work and where at all times one gives to others everything that is theirs, or which has to be given to the other group. From this, the feeling of give and take came into existence; this is called justice of exchange.
2. Justice between people and society, where justice shows itself as a creation, notion, wish, and man's work, giving and carrying out everything that promotes wealth and cooperative prosperity as the initial goal of society; this is called social justice.

3. Justice is conjunction between society and its members, where justice shows itself as a creation, notion, wish, society's work and its tool of power to divide all the comforts and joint burdens in an equal way, in accordance with the condition and level of mental and physical differences of the members singly and as a group, until the feeling of equality is felt; this is called justice in dividing.

By paying attention to the aforementioned explanation, it is clear that in developing the economy of the society it is not how much capital is going to be invested, but development according priority in the sectors which should also be thought of; it should be done in such a way that this mass development does not cause, for example, a runaway inflation. If this should happen, then not only will development be halted, but also prosperity, as explained, cannot be guaranteed.

By paying attention to the following matters, we do not follow the theory of phase-jumping; on the contrary because the resources that exist in society must be mobilized rationally and fully. We too did not follow the theory of evolution for this development, because both theories are opposed by the President, as clarified in his instruction to the members of the Depernas.

Also, in the development of economy of the society we should not use "regimentation," because by using "regimentation" the above social justice cannot be guaranteed; furthermore, this is not in accordance with the characteristics of revolution, that is, among others that the Indonesian revolution is a democratic revolution, as clarified in its duties to oppose the backwardness of feudalism and to oppose autocracy or dictatorship, military as well as personal.

Justice could be taken care of if we on the one hand in issuing money for development purposes notice matters pertaining to the priority of sectors of development, the balance of economy, and other matters which are not specified here, and on the other hand pay attention among others to a system of taxation which would broaden the coverage and pay more attention to direct taxes. Direct taxes not only preserve justice in broadening the members of society with certain kind of tax, but also the direct tax could be used as a means for softening the inflation pressure, which is in itself in accordance with the preservation of justice.

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INDONESIA'S EIGHT-YEAR PLAN (1961-1969)

Following is a translation of an article by Munadjat Danusaputro (Master of Law, Former Cultural Attache to the Indonesian Embassy in Bern, Secretary of the National Planning Council, Provisional People's Consultative Congress), in the Indonesian-language periodical Utusan, Djakarta, Vol. II, No. 1, March 1961, pages 22-34.7

I. Introduction

"Since freedom is truly the right of all peoples, colonialism on this earth should be destroyed inasmuch as it is opposed to humanity and justice.

The struggle of the Indonesian freedom movement has progressed to a happy situation wherein it will lead the Indonesian people along the road of peace to the front door of liberty, an Indonesian liberty that is free, united, sovereign, just, and prosperous.

Thanks to the blessings of the merciful Almighty Allah and to the help of His desire that we live as free nations, the Indonesian Peoples hereby declare their freedom.

In order to establish a Government of the Indonesian State which would embrace all the races of Indonesia and the entire length and breadth of Indonesia, and in order to promote the general welfare, educate the races for a better life, and to emulate the ways of the world which are founded on freedom, just peace, and social justice, the Indonesian Nationalities Freedom was enacted in the form of a Republic of Indonesia Basic State Law. This Law is based on the sovereignty of the people in the name of Almighty God, a just and courteous mankind, and Indonesian Association, an a Sovereignty that is guided through the wisdom of mutual consent of mutual representation, as well as through the realization of a social justice for all Indonesian Peoples."

The foregoing words are found in the Introduction of the Basic Law of the Republic of Indonesia, as formulated and ratified by the Committee for the Preparation of Indonesian Freedom, on 18 August 1945, and which were used in the "Outline of the Message on the Sufferings of the People."

In striving to realize and fulfill the message On The Sufferings Of The People, we are reminded of the "Soekarno-Hatta Proclamation" which was the first to be offered the Indonesian People regarding the "development of a Free Indonesian State", as follows:

PROCLAMATION TO THE INDONESIAN PEOPLE

It is hereby proclaimed that the development of the Free Indonesian State according to the wishes of all the people at this time, will be initiated with accuracy.

Many forces that are whole-heartedly responsible to the People will participate in this development.

All necessary matters relating to the development of the State of the Republic of Indonesia will be attended to and completed within a short period of time.

It is hoped that all Indonesian Peoples from all walks of life will remain peaceful, calm, steadfast and fully self-disciplined.

Djakarta, 18 August 1945.
SOEKARNO-HATTA.

From the time of the Freedom proclamation to the present, the development of the Free Indonesian State, as conceived in an organization of a Republic of Indonesian State, has advanced through an ebb-tide like the oceans which surround the Indonesian archipelago.

We have experienced a great deal, including many disappointments, during the fifteen years that the Republic of Indonesia has begun to progress towards the future!

From the beginning of the first eight-year period in the existence of the Republic of Indonesia, where we as a race should protect and defend the form and organization of the Republic of Indonesia State, we have never been free from worries, nor from the desire for a quick fulfillment of the ideals of the Indonesia Republic in such a way as to realize the ambitions in the Message On The Sufferings Of The People, as described above, namely, A Just And Prosperous Society based on:

- a. The Almighty God
- b. A just and courteous mankind
- c. An Indonesian association
- d. A sovereignty guided by the wisdom of mutual consent and representation, for
- e. The realization of a social justice for all Indonesian Peoples.

II. The Thinking Behind The Development Of The Indonesian Republic

1. Ever since the Indonesian Revolution, the nation has been in the initial period of Physical Phase; this category indeed applies since the time of the Central Government of the Republic of Indonesia was located in the Moslem quarters in the city of Jogjakarta. The first steps toward the development of the Indonesian Republic were taken in the kitchen of an institute for work on the development of the Indonesian Republic, under the name of BRAINTRUST, in order to realize the desires of the nationalities!

Numerous investigations and studies were undertaken, however as atmosphere of a freedom war persisted during this time, all efforts could not be formalized in a concrete form, such as a plan.

We spurred the Indonesian Revolution into a Survival Phase, and the Indonesian State had to accept the creation of the "Federation of the Indonesian Republic", followed by a further change on 15 August 1950 in the creation of a United States of the Republic of Indonesia on authority of

the Provisional Basic Law of 1950. Meanwhile, the Central Government of the Indonesian Republic was moved back to Djakarta. The program of formalizing this development was begun in the kitchen of a State institute which was known as the Council on State Planning. This was subsequently changed to the Council on State Planning in an effort to intensify planning and development.

To furnish a secretariat for this council, the State Planning Bureau was formed under the leadership of a Director General. This Bureau was administratively under the Prime Minister's direct control.

After this planning and development agency of the Republic of Indonesia had been in operation for almost five years, and at the same time as the Investment Phase of the Indonesian Revolution was being spurred into existence the Five-Year Development Plan (1956-1960) was also finalized.

The draft proposal for the Five-Year Development Plan (1956-1960) was immediately sent to the Parliament in 1956. Notwithstanding discussion and its acceptance as a law to take effect in 1958, the plan for the most part was already underway. In order to provide a legal basis for the implementation of many provisions of the Five-Year Plan, the law was ratified as Ordinance No 85/1958 and formally went into effect the beginning of 1956.

The content and intent of the Five-Year Development Plan only covered sociological and economic aspects. The time span was set at Five Years. This plan has now been functioning for about three years. As yet concrete results have not been forthcoming because the national situation has seen increasingly difficult, as shown by various domestic and foreign political situations and the slump of the national economy to the danger point.

A. National Planning Council ("Depernas")

Midway in the development process, the conditions of society and the state were in many ways not satisfactory. Consequently, President Sukarno undertook a series of remedial measures. First, there was the "Presidential Concept"; this was followed by the "Idea of Guided Democracy" and the formulation of the Work Cabinet and the National Council ["Denas" - Dewan Nasional]; as well as the instituting of a National Congress and a National Congress for Development.

The plan for implementing guided democracy called for the creation of a National Planning Council ["Depernas" - Dewan Perantjang Nasional] on the authority of Ordinance No. 80/1958. This was the subject of the Presidential Decree of 5 July 1959 and finally a subject of the Presidential Declaration No 4/1959.

The NPC is guided by several national documents which we have come to know as:

- (1) 1945 Constitution,
- (2) Political Manifesto ["Manipol"] of 17 August 1959,
- (3) Presidential Message On Development, 28 August 1959,
- (4) Clarification on the Presidential Message on Development, 9 January 1960.

The forth document above established that the objective of development as a whole is the realization of the Message On The Sufferings Of The People, i.e., the establishment of an Indonesian Community that is just and prosperous in harmony with the teachings of the Pantjasila /Five Principles/.

The NPC first studied the history of the Republic of Indonesia's development during the past fifteen years, in an attempt to establish a happy medium between the ups and downs of development since Proclamation Day.

The purpose of thus evaluation the nation's development was to allow Indonesian leaders an opportunity to realize their past mistakes and to help further the desire to strive towards their goals with more speed and more vigor. In this way, the people could enjoy better living standards and before long, positive measures toward a prosperous mankind would become a reality.

B. Population Data

"Depernas" (National Planning Council) discovered that the population figures used by our various administrative agencies a basis for computation often conflicted. The NPC could not function using such figures; it was convinced that the population question was basic one in planning; in as much as the people were the recipients of development and also the implementers of development. Precise data on population is a prerequisite for every organization and for any valid assessment of development.

To meet the situation, "Depernas" organized an Indonesian Population Committee along popular lines, better known as the Johannes Committee.

This committee, which investigated all sources, domestic and foreign reported that the 1960 population is 92.7 million and the 1970 population will be 116.4 million.

The percentage of increase between 1960 and 1970 was set as 2.3 percent.

"Depernas" believed it necessary to register the population as quickly as possible, in order to make available complete records on population. "Depernas" is guiding the organizations which will take the census.

C. National Income

"Depernas" concluded that the figures on the national income of our nationalities were not reliable. Many agencies were using the figure of 206 billion for 1959. "Depernas" carefully examined this figure and based its figure on production, especially agriculture, for which rather complete figures are available. Based on earlier data that has been used as an estimate, Indonesia's total national income at present is not 205 billion or 2,200 Rupiahs per capita, but 236 billion, or 2,500 Rupiahs, using a population figure of 92.7 million.

Here again, it must be emphasized that Depernas was not willing to use figures derived from estimates. Such figures are only used to determine trends. We cannot trust a figure on national income when definite population data are unavailable.

"Depernas" concluded that it would be more expedient for the time being to use facts in measuring the prosperity of the Indonesian nationalities in the interest of developing complete population records and also records on over-all economic activity.

2. Objectives

The objective of the Planned Over-all National Development is Indonesian Socialism, i.e., a just and prosperous society based on the Pantjasila.

Indonesian Socialism is not socialism as it is known in the West or as it is interpreted by foreign socialist countries. Indonesian Socialism is a synthesis of social justice and Indonesian elements as depicted in the principle of Mutual-Cooperation [Gotong-rojong] and the kinship which is typical of Indonesian Identity, as interpreted by "Depernas".

The objectives which will be sought and implemented during the course of implementing social justice as derived from Mutual-Cooperation and kinship are: Common security, as found in material and spiritual prosperity in the form of public wealth, both physical and spiritual; and equal and uniform distribution among citizens of the family in accordance with the varying conditions of each citizen.

Politically, Indonesian Socialism aspires to create an Indonesian state that is famous for its glory and truly superior in status and performance. The Government and the People, or the State and Private Enterprise will work together in meeting production and distribution needs towards the goal of an abundant public wealth and its just distribution.

It was directed that the prosperity of society should always emphasized, rather than that of the individual. With respect to the economy of the family under Indonesian Socialism, private ownership would be recognized but subject to considerations of its social function within the framework of a joint effort under the National Government's leadership. In terms of economics, Indonesian Socialism stipulates that the aim of all economic and financial activity is to promote justice and to eradicate colonialism in any form, as well as to abolish slavery which considers mankind only an instrument of self-interest or of special groups.

With respect to society, Indonesian Socialism seeks to create a peaceful and secure society under the system of kinship and mutual cooperation where each citizen can always work without fear, assured of adequate food, clothing, housing, and provisions for his health and education, as well as for his old age. Furthermore, an Indonesian Socialist form of society should be able to guarantee that each citizen enjoy and promote our culture as well as to further a spiritual life, indeed to witness inner peace.

Indonesian Socialism, as a formula emanating from the Message On The Sufferings of The People, began its development with the Indonesian Freedom

Proclamation, the fountainhead of inspiration and wisdom for carrying out the Indonesian Revolution as inspired by the Message on The Sufferings Of The People.

The subject of Indonesian Revolution is concisely and clearly developed along theoretical lines in Book I, Volume 2, Chapter 12, paragraphs 101 to 179, as follows:

CHAPTER 12. PROPOSAL

GUIDING PRINCIPLES OF INDONESIAN SOCIALISM

Organization and central idea:

1. Over-all Considerations consist of the following:
 - a. Meaning and Basis of Indonesian Socialism,
 - b. Objective of Indonesian Socialism,
 - c. Resources for achieving Indonesian Socialism.
2. The central ideas inherent in the guiding principles are as follows:
 - a. The Message On The Sufferings Of The People will serve as its Myth (Mythos).
 - b. Meaning and organization will serve as its Idea (Logos).
 - c. Justice, Sovereignty, and Security under the Panjasila will serve as its Morality, (Ethos).
3. The guiding principles are expressed in 70 paragraphs which are set forth as follows:
 - A. Meaning and Basis of Indonesian Socialism
Guiding principles of Indonesian Socialism.
Indonesian Socialism based on the Message On The Sufferings of the People.
 - B. Objectives of Indonesian Socialism
The comforts, objectives and attributes of Indonesian Socialism.
Basic elements of Indonesian Socialism.
Basic relationships of Indonesian Socialism.
Principles of Mutual-Cooperation and Kinship in Indonesian Socialism.
The Freedom Proclamation and Indonesian Socialism.
 - C. Resources for Achieving Indonesian Socialism
The drive for development and essential finances.
Efforts of the Depernas.
Plan of the National Blueprint.
Provisions for implementation.

III. Organization of the Draft Bill for the Eight Year Over-all National Development Plan

Immediately after receiving the Presidential Message on Development, both the written text and its presentation in discussion, the NPC began examining and studying both versions. As a result, it devised a summary which was published as "The Basis for the Planned Over-all Development Principles," consisting of FIFTY GUIDING PRINCIPLES.

Based on these Fifty Principles, initial action toward development was instituted during September and November 1959, with the formation of the three following sections: The Social Section; The State Affairs Section; and The Economic and Finance Section.

This approach was taken so that those concerned could visualize the overall situation with respect to the many problems related to development which confronted the Nationalities of Indonesia. Due to the critical nature of food and clothing supplies at the time, a fourth section was created, the Food and Clothing Section.

The fourth section was in session during September to December 1959. At its meeting Depernas invited the key Ministers to present an analysis of the activities undertaken by the departments under their leadership.

The following presented their analyses to the NPC:

1. The Prime Minister and Minister of Finance, Ir. Hadji Djunda, on 18 September 1959.
2. Minister of Production, Colonel Suprajogi, on 1 December 1959.
3. Minister of Distribution, Dr. J. Leimena, on 1 December 1959.
4. Minister of Development, Chairul Saleh, on 2 December 1959.
5. Minister of Security and Defense, Lt. Gen. A. H. Nasution, on 13 January 1960.
6. Minister of the People's Safety, Muljadi Djojomartono, on 13 January 1960.
7. Foreign Minister, Dr. Subandrio, on 13 January 1960.
8. Minister of Internal Affairs and Regional Autonomy, Ipik Gandamana, on 23 February 1960.

Thanks to the information given by the above persons, the NPC could shorten time needed to carry on close investigations. The section leaders had invited to their meetings those officials responsible for administering the particular phase of development being studied by the section. The sections were organized to meet the needs of and along the lines of the NPC. The problem at hand was successfully resolved. Each section was given as clearly defined a mission as possible which always involved three points: Objectives for the present; the ideal situation; and methods for achieving this situation.

The meetings provided avenues of approach to the NPC for delineating the discussions on development.

It was thought that all aspects of development would be divided into Eight Divisions.

Each division would have a Fact-Finding Division and eight such Divisions would have a total of 19 Fact-Finding Divisions.

A fact-finding division was further divided into development sectors, the total of which was set at eighty sectors.

Each Development Sector was further divided into a total of 250 Administration Factories/Activities/Object Sectors per suggested models.

The organization was adjusted in such a way as to encourage study, discussion, and changes. Needless to say, there must always be an adjustment to the progress of study and the results of investigations and surveys.

Vote taking was positively avoided in all the meetings. Conclusions were reached through agreement and mutual consent without undue delay prevailed. If discussions on an issue became stymied, then resolution was through instructions from the Honorable President. If a conclusion was unclear, then the council relinquished all matters relating thereof in favor of a decision by the leadership.

After the fourth section reported to the Plenary Session, "Depernas" sent a spokesman to report initially to the Honorable President at the special Plenary Session on 9 January 1960 which was attended by all of the Cabinet members and heads of foreign missions. On this occasion, the Honorable President expressed his agreement with the Depernas concept as it relates to several basic problems, including the status of a just and prosperous society, and a macro economy.

The President directed that consideration should be given to the construction of buildings for the nation and the state in the plans.

Subsequently, Depernas took up its task by creating 6 new sections during December 1959 and February 1960.

The section reports were finalized by the Depernas Technical Committee for Development. A Depernas Technical Committee for Development was created for each Division, consisting of Indonesian technicians from government and private business circles. The discussion in the Technical Committee for Development proved very helpful because these meetings produced valuable information toward furthering the planning. The Technical Committees for Development were in session during March to May 1960.

As a final measure, a Committee for Mobilization of the People's Manpower was formed with a view toward implementing the plan. This committee was charged with discussing possibilities of shortening the time considerations and economizing on the costs of implementing development projects through the mobilization of manpower. To smooth the performance of its tasks, two special committees were also created.

1. Indonesian Population Committee (Johannes Committee)
2. Indonesian Socialism Committee (Djokosoetono Committee)

The Johannes Committee, which functioned from 8 to 20 April 1960, was charged with obtaining exact figures on Indonesian population for use in planning.

The Djokosoetono committee functioned from 16 May to 16 July 1960 and was charged with developing the general bases for Indonesian Socialism as well as its implementation within the various aspects of life.

All of these matters were integrated by the leadership and presented in the form of the Preliminary Draft of the Over-all National Development Plan Bill for deliberation in the final Plenary Session held from 20 to 28 July 1960.

Subsequently, the contributions of the Plenary Session were incorporated into the Draft of the Over-all National Development Plan Bill.

The Eight-Year Over-all National Development Plan Bill (1961-1969) originally consisted of 5,100 pages, and when published in book form consisted of 4,647 pages.

All the materials are organized in accordance with the magical numbers corresponding with Proclamation Day, i.e., 17 (Volumes) 8 (Books) 1945 (Paragraphs).

The 8 Books are as follows:

Book One	Contains the Fundamentals of the Over-all National Development Plan.
Book Two	Contains the Draft of the basic divisions for the Over-all National Development Plan.
Book Three	The Psychological and Spiritual, and the investigation Division.
Book Four	Safety, Government, and Security and Defense Division.
Book Five	Production Division.
Book Six	Distribution Division.
Book Seven	Finance Division.
Book Eight	Comments by Ministers.
	Enclosures.

Book Eight is divided into 17 volumes, as follows:

Volume I	Introduction.
Volume II	Indonesian Socialism Quarterly Blueprint for Development Project Blueprint.
Volume III	Major Lines of Development: Cost Blueprint Implementation and Phasing Out.
Volume IV	Blueprint Explanation Division: Social Economic and Financial Clothing and Food Development Project Title Division. Culture and Education.
Volume V	Education.
Volume VI	Education.
Volume VII	Training of development forces.
Volume VIII	Investigation.
Volume IX	Investigation.
Volume X	Investigation.
Volume XI	The People's Safety.
Volume XII	Government, and Security and Defense.
Volume XIII	Food and Clothing.
Volume XIV	Industry, including drugs.
Volume XV	Distribution, Communication, and Tourism.

Volume XVI	Finance.
Volume XVII	Comments by Ministers.
	Enclosures

The complete text is further divided into 1,945 paragraphs.

NOTE:

1. The fundamental thinking relative to the objectives of development, the wisdom of development, the approach to development, the major lines of development, the costs of development and the implementation of development are discussed in the three volumes of Book One. A full picture of all problems of development is presented briefly in these volumes.
2. Books Two, Three, Four, Five, Six, and Seven contain materials which explain clearly the fundamentals of development mentioned in Book One.
3. Book Eight contains contributions by the Ministers, presented at the Depernas meetings, and relate to those aspects of development which concern the operations and province of each Minister.
4. Discussions relating to important problems which cover 45 points are contained in the enclosures.

IV. The Decision Regarding The Major Lines Of The First Phase of Development: 1961-1969

In accordance with the provision in the Presidential Message On Development of 28 August 1959, calling for the submittal of the Development Blueprint Plan to the MPRS Madjelis Permusjawaratah Rakjat Sementara /Provisional People's Consultative Congress/ for ratification, the plan was submitted to the First Session of the MPRS which was held in Bandung from 10 November to 7 December 1960. Depernas also had formulated its own plan in the same building, and the Depernas version of the 1961-1969 Eight-Year Basic Plan for an Over-all National Development Plan Law was examined and read by the High Council of the Indonesian Republic.

For purposes of examining and studying the bill, MPRS formed 6 (six) commissions, as follows:

Commission A	Psychological, Spiritual and Investigation.
Commission B	Safety.
Commission C	Government, and Security and Defense.
Commission D	Production.
Commission E	Distribution and Communications.
Commission F	Finance and expenditures.

After working day and night from 17 November to 3 December 1960, the Fifth Plenary Meeting of the MPRS passed the Basic Plan of the 1961-1969 Eight-Year Over-all National Development Plan Law, as follows:

"The Major Lines of the 1961-1969 First Phase Plan for Over-all National Development Blueprint" are as set forth in Decision No. II/PPCC/1960, which in turn is based on Decision No. I/PPCC/1960.

The two Decisions of the High Council of the Indonesian Republic rendered clear and understandable the lines and the national ideology of Indonesia, as set forth in the Political Manifesto and the Over-all National Development Blueprint Plan in aspiring for a just and prosperous Society based on the Pantjasila or Indonesian Socialism, and in the furtherance of the Message On The Sufferings Of The People.

Now, a determination of the lines of our Revolution has been achieved; these lines are lucid and uncluttered with respect to the direction the Indonesian state will take toward a free, united, sovereign, just and prosperous Indonesia. It is evident now to all the Indonesian peoples and to all of the world that the Indonesian Revolution is indeed able to move ahead "with or without the M.P.R.S." However, it is also obvious now that the M.P.R.S. can and will promptly get in step with the Indonesian Revolution. Yes indeed, the MPRS, will be able to provide understanding regarding the major lines and its own course!

The glorious achievements of the Indonesian nationalities were accomplished within a short period of time, thanks to the spirit of the MPRS which upheld the slogan, "Quiet in Thought, Busy in Work" and always followed the five principles of deliberation, which are:

1. Use Feeling when considering the psychological aspects of the public and your own group.
2. Use Prudence in pursuing the spiritual attributes of generosity and tolerance.
3. Use Judgment in seeking justice.
4. Use an Open Mind in arriving at truth.
5. Agree willingly to relinquish desire and to promote courage in controlling one's self; indeed if necessary, subordinate one's own interests to the interests of the group, i.e. the National Interests of Indonesia.

Just imagine the splendor and appeal of democratic elements that are indigenous to Indonesia! The tremendously strong elements of the Identity of the Indonesian Nationalities have now been demonstratively formulated. This identity will have a certain healthy existence among all peoples who aspire to a better world. This includes all nationalities having human relationships based on law!

Let it be proven that implementation of the principles of deliberation and agreement within the framework of Guided Democracy in realizing wise decisions through the relationships of the M.P.R.S., will spur all Indonesian peoples to reevaluate their inheritance. This inheritance from ages past is instinctive to Indonesians. At the same time, let these principles guide the Major Leaders of the Indonesian Revolution in implementing the Decisions of the M.P.R.S., as the main lines of the course of the Indonesian Revolution. This will hasten attainment of the ultimate hope of a just and prosperous society based on the Pantjasila, viz. Indonesian Socialism!

V. Conclusion

Finally, an overall examination of the Development Blueprint, as set forth in the M.P.R.S. Decisions, will show several guiding principles which may well prove helpful and advantageous to the Indonesian foreign service officer whose duty is to further good judgment in conducting the foreign relations of the Indonesian Republic.

The distinguished Foreign Minister, Dr. Subandrio, made it very clear, in connection with the Investment Phase of the Indonesian Revolution, when he stated in the Depernas Plenary Session that all of the political and military elements constitute important elements; judgment in foreign affairs at this particular time of the Indonesian Revolution however, is mainly concerned with monetary and economic matters, centering around the guiding principles of,

- a. Obtaining capital for Indonesia;
- b. Obtaining technical assistance;
- c. Bolstering trade relations between Indonesia and the outside world.

With respect to the above objectives of foreign relations, the distinguished Minister Dr. Subandrio borrowed a very appropriate slogan from the British Member of Parliament, William Pitt:

"England has no permanent friends,
England has no permanent enemies,
England has only permanent interests".

Other of the distinguished Minister Dr. Subandrio's ideas are fully treated in the 1961-1969 First Phase Development Blueprint, which is contained in Book Eight, Volume XVII. They may be referred to and studied by every Indonesian citizen and by citizens throughout the world.

Besides the distinguished Minister Dr. Subandrio's many ideas several important guiding principles for wisdom are also treated in Book Seven, Volume XVI, "Finance"; and in Book Four, Volume XII, "Government, and Security and Defense".

Several "guiding principles" in the form of basic proposals or theoretical proposals are found in Book Four, Volume's I & III, Projects, which is the basic structure for implementing the aforementioned wisdom.

May the foregoing, short as it is, satisfy those concerned.

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CSO: 5759-D

1959 REPORT OF THE STATE COMMITTEE FOR INDUSTRIAL
AND AGRICULTURAL TEXTILES

Following is the translation of an unsigned article in
Warta Ekonomi (Economic Information), Djakarta, Vol XIII,
No 35/36/37, 10 September 1960, pages 624-625, No 38/39/40,
1 October 1960, pages 659-662, No 44/45/46, 12 November 1960,
pages 760-761.

Foreword

Due to several causes, the textile situation in 1959 is not too satisfactory. Because of the scarcity of raw materials and supplies, domestic textile production has decreased a great deal, and the textile plants are working at an average of 40% of their capacity. The domestic textile agriculture is also facing many difficulties due to the fact that the planting of cotton and hemp, as well as the rayon project have not been as successful as expected. The domestic textile trade depends primarily on imports, and because of the scarcity of foreign exchange, it is not too satisfactory either.

. At the end of 1959, the Agricultural Department formed a "Planning Bureau for the Agricultural Departments", whose task is to make plans as regard to the needs in the planting of textile raw materials, like cotton, hemp, and rayon. [sic].

2. a) By decision of the Deputy Minister of Commerce and the Deputy Minister of Industry, a Textile Bureau (BUBP) has been formed, whose task is to control the supply, production, and distribution of textiles.

b) Commensurate with the formation of the above mentioned bureau, the Bureau for the Cooperation of Governmental Industries (Baksin) has been formed which is meant to coordinate the government textile plants, like those of the BAPPIT, the LP31, the BIN, etc.

c) With regard to the textile trade, in 1959 the Department of Commerce formed the Commerce Bureau (BUD), which is to coordinate the textile trade.

It is hoped that, as results of the above mentioned 1959 program, the general textile situation in 1960 will be better -- its agricultural aspect, its industrial aspect, as well as its distribution aspect. All this is very important for the present cabinet in view of its "food and clothing" program.

Part I. The work of the Committee in the agricultural textile sector.

Chapter I. Cotton

As we know, one of the best and the most important raw material for the production of textiles, is cotton. However, hemp and rayon (half synthetic and full synthetic) have lately become more important.

According to studies by experts, there are not many places in Indonesia which with regard to their soil and weather conditions are suitable for the planting of cotton on a large scale. Those few places are:

1. In East Java: the regions of Asambagus and Kediri.
2. In the South-East Islands: Bali, Lombok, Sumbawa, Flores, Timor, and Sumba.
3. In Sumatra, Borneo, and Celebes, there are no large areas suitable for cotton planting.

According to a report of the Office for People's Agriculture, the planting of cotton in 1959 was as follows:

1. The Asambagus Project

The cotton milling plant is still in good condition. Expansion of the cotton acreage was as follows:

industrial cotton	313 ha.
smallholders' cotton	455 ha.
Total	768 ha.

The cotton production of the Asambagus project which was bought by the cotton plant in 1958 amounted to 69 tons. The report for 1959 is not yet complete.

There is enough supply of cotton seed to expand the cotton acreage; however, expansion is very difficult since the lands are private properties.

Since 1 October 1959, the control of the Asambagus Project has been given to the PPN-Baru, under supervision of Mr. Sujudi of the smallholders Agricultural Office.

2. The Kediri cotton (product of the farmers cooperative)

According to the Smallholders Agricultural Office, this project covers:

dry soil	621 ha.
irrigated soil	3 ha.
Total	624 ha.

The cotton is mostly planted in dry and unfertile soil. The control of the farmers cooperative will be taken over by the management of the People's and Fishermen's Bank. It is hoped that with better organization and management, the year 1960 will show a better result.

3. The Project in East Bali.

The Veteran's Department has a cotton project in East Bali. The extent of their cotton culture is:

in 1958	215 ha.
in 1959	550 ha., of which 500 ha. are in Bali and 50 ha. in Lombok, to be regarded as an experiment.

It is planned to expand it by another 500 ha.

Because they are densely populated, a large-scale expansion is difficult in all the places mentioned above. Besides, the Department of Agriculture has to see to it that the planting of cotton will not decrease the production of food. In this respect, the price of cotton is important, because in general the other produces, like tobacco and sugar cane, bring higher revenues to the farmers.

4. The South East islands

The area in cotton in the south east islands is estimated as follows:

	Estimated ha. in 1959	Estimated Production (in tons)
Bali	241	24
Lombok	586	59
Sumbawa	300	30
Sumba	190	19
Flores	3,054	305
Timor	1,506	150
Total	5,877	587

More reliable figures are not yet available. The cotton culture in this region is in general still very primitive, and it is only produced for local use.

The PPN-Baru has plans to open a large scale cotton culture in West Sumbawa in 1960. The possibility of a large scale expansion in North Flores is also being studied. The Office of Agriculture is making a further study on the expansion of smallholders cotton and the formation of a cotton central.

5. Cotton Gins

We have gins in the following places:

- Asambagus. There is here one gin which is the property of Agricultural Department. It is an air blast saw-gin, having a capacity of 5-6 quintals of cotton per hour. This gin will be included in the Asambagus Project under the management of the PPN-Baru.
- Sumbawa. This gin, which is a saw-gin, is the property of a private person and has a capacity of 0.5 tons. This gin can be used for the Sumbawa Project which is under the management of the PPN-Baru.
- Kediri. There is here a rollgin with a capacity of 50 kg. of cotton per hour, and which is the property of the Kapas Tani Gotong Rojong Corporation. When this corporation is reorganized, it will need a saw-gin.

Chapter 2.

Hemp is beginning to be planted on a large scale, namely in East Sumatra and in the Lidjen Plantation in East Java. The hemp culture has not been too satisfactory, due to several reasons, one of which is financial difficulties. The figures for hemp are as follows:

1. Smallholders hemp in Kampung Negara.

This is managed cooperatively under supervision of the Smallholders Agricultural Office. It has an area of 60 ha. However, due to several difficulties, it is not managed too well.

2. The Glugur Plantation near Medan.

In an effort to fill the need for hemp for the cotton mill "Pematang Siantar, Inc.", in 1960 the government plans to open an area of 500 ha. for hemp culture. It was further planned to expand it to 1000 ha. in the following year. The planting will be done by Pematang Siantar, Inc. with the help of the BUPIN, the Department of Basic Industries and mining, and experts of the Department of Agriculture.

3. Smallholders hemp.

According to figures collected by the Department of Agriculture, in 1959 the extent of smallholders hemp is as follows:

<u>Province</u>	<u>Area in ha.</u>		<u>Production in tons</u>	
	<u>1958</u>	<u>1959</u>	<u>1958</u>	<u>1959</u>
North Sumatra	200	200	-	-
Middle Sumatra	50	68	-	-
Jogjakarta	18	35	-	-
Total	268	303	-	-

Note: the figures for 1958 are tentative, those for 1959 are estimates.

4. The Tani Mulja, Inc.

a) Matoba.

In Matoba, the Tani Mulja, Inc. has a hemp area of 70 ha. It was in a satisfactory condition; however, because of financial difficulties, it was discontinued in 1960.

b) The Lidjen Plantation in East Java.

The area of the culture here is 70 ha. and it is in good condition. In 1959, it was planned to be expanded to 135 ha., but, due to several difficulties, including a financial one, the plan was not carried out. Even the existing culture is planned to be liquidated in 1960.

5. For the latest report on hemp by the Panitex, please see supplement.

Chapter 3. Rayon

The rayon project is generally still in process of study by the Ministries of Agriculture and Industries. In 1959, the government had not yet made a final decision with regard to rayon. For the latest report on rayon, please see supplement. The National Planning Bureau in Bandung has discussed extensively the textile problems and the raw materials cotton, hemp, and rayon.

Chapter 4. Other Fibres.

1. The government has not made an intensive study with regard to other

fibers. Lately, one Moh. Arsjad, has started a study, though in a primitive way, of other fibers that are available in Indonesia, such as nipah, allamanda, tarok, pisang, pinang, etc. It would be better if a scientific study on the above kinds of fibers were done by the related institutes.

2. In 1959, Moh Arsjad, through the Panitex, gave his findings to the Department of Industries. Besides their uses as textile raw material, he mentioned the use of Nipah fiber for gunny sacks.

Part II. The textile industry

Chapter I. This part is concerned with the production of textiles and with the following problems:

1. Spinning
2. Weaving
3. Finishing (dyeing, printing, etc.)
4. Batiks
5. Ready-to-wear clothing

Chapter II. Spinning

There are five cotton spinning mills in Java and one hemp spinning mill in Pematang Siantar, which is in North Sumatra. The five cotton spinning mills in Java are:

- a) The Djantra in Semarang, which has 31,140 spindles.
- b) The Tjilatjap in Tjilatjap, which has 30,000 spindles.
- c) The Nebritex in Pasuruan, which has 16,000 spindles and 280 looms.
- d) The Java Tekstil Mij, which has 37,072 spindles and 890 looms.
- e) The Wing On in Bandung, which has 860 spindles and 220 looms.

There are in total about 122,116 spindles with a yearly capacity of about 15,000 tons of cotton and about 12,000 tons of cotton thread. The cotton thread production is less than 10% of the needs of the textile plants in Indonesia.

Due to various difficulties, among others the scarcity of semi-manufactures, the cotton mills have been working at less than 100% of their capacity.

Further information about the above mentioned cotton mills are as follows:

- a) The Djantra in Semarang belongs to the BIN [abbreviation unknown] and was built in 1941/1942.

1. The number of spindles is 31,140.
2. Of these, about 75% are used continuously.
3. The production in 1959 of thread was 840 tons.

The yearly capacity by using three shifts is about 1,700 tons of cotton thread.

4. The cotton production is entirely used by the domestic textile plants.

Production in 1957: 1,125 tons

" " 1958: 1,360 tons

b) The Tjilatjap spinning mill in Tjilatjap.

1. Number of spindles: 30,000
2. Production in 1959: consisting of thread No. 20/6, 20/9, 20/12, 30/6, 30/9, 30/12, and thread No. 12/S, 20/S, 30/S, 40/S, 42/S, totaled 1,500 tons.
3. Production in 1956: 325 tons
1957: 2,190 tons
1958: 2,600 tons

The yearly capacity by using three shifts is 2,600 tons of cotton thread, which is also entirely used for domestic textile production.

c) The Nebritex, Inc. in Plered, Pasuruan.

This mill is the property of an English national. It also has looms, and was built in 1940/1941.

1. Number of spindles: 16,800
2. Number of looms: 280
3. Capacity by using three shifts (3 x 8 hours):
1 day : 7.5 tons of cotton thread, especially thread No. 20/S.

1 week : 45 tons of cotton thread

1 year : 2250 tons of cotton thread

4. It uses up about 2,400 tons of cotton yearly
5. Production per loom: 100 meters cambrics a day or 30,000 meters a year.

The total production = $280 \times 30,000 \text{ m} = 8.4 \text{ million m a year.}$

In 1959, about 1,050 tons of cotton thread was produced. To produce 8.5 million m cambrics, about 1,430 tons was needed. The rest was sold to the other weaving factories.

d) The Java tekstil MIJ Texin in Tegal.

1. Number of spindles: 37,072
2. Number of looms: 890 of which 710 have 2 x width, and 180 have 1 x width.

3. Production in 1959: about 1,300 tons of cotton thread

The cotton thread production of above plant is used to make cambrics for the GKBI. The plant has, by working three shifts, a capacity of 16,650,000 meters of cambrics and blacks a year.

e) The Wing On, Inc., Bandung, which is the property of a Chinese national, and which was built in 1949/1950.

1. Number of spindles: 8,600
2. Number of looms: 200
3. Production of thread in 1959 -- cotton: 32 tons; dull: 47 tons
4. Production of cloth in 1959: 26,200 x 4 meters.

Hemp

In Pematang Siantar, North Sumatra, there is one hemp spinning mill which belongs to the BIN, built in 1956/1957 and having 6,000 spindles, 4,400 of which spin short fibers, and 1,600 spin long fibers.

The production is, by using one shift and with a 7-hours day, about 20 tons a month or 240 tons a year. By using two shifts, the pro-

duction will be 480 tons a year, while by using three shifts, it will be 720 tons a year, using about 900 tons of China Grass a year. Since the domestic production of China Grass in 1959 is still very low, imports from foreign countries to be used as raw material in this plant is still needed. Hemp thread is beginning to be used in larger amounts, especially for the production of canvas.

Rayon

The rayon project is still in the stage of being studied. A more concrete plan will be implemented in 1960.

Chapter 6. Machine weaving and hand weaving

Machine weaving and hand weaving is in a more advanced stage compared with the spinning and finishing sector and with the production of the fibers.

According to figures of the Department of Industries, the machine-park consisted in 1959 of the following:

- | | |
|---|------------|
| 1. Primitive hand-weaving looms, estimated | +1,000,000 |
| 2. Modern hand-weaving looms: 130,586 | |
| 3. Machine weaving looms - 1 x width: 9,195 | |
| 2 x width: 4,896 | |
| Total 14,091 | |
| 4. Number of hand-knitting machines: 3,886. | |

The weaving-looms in Java and Madura can be divided in the following vital and semi-vital groups:

[See following page for table]

The weaving-looms grouped as vital are those belonging to the big companies; semi-vital are those belonging to medium companies. Looms that belong to smaller companies are excluded.

The textile industries, especially the weaving sector, are situated in the following regions.

[See following page for table]

From the above figures, it should be clear that the main textile region is West Java (60%), then Middle Java (17%), and then East Java (18%). The outer regions have in general just begun to develop, especially North-Sumatra (2.5%), Celebes (1.4%), then West Sumatra, South West Sumatra, South Sumatra, and South Borneo.

Chapter 7. Finishing

The finishing facilities are very limited. The modern finishing facilities take about 20% of the weaving capacity; the rest of the finishing work is done in a primitive way.

The finishing facilities consist of:

- a) Dyeing: 22 companies
- b) Bleaching
- c) Printing: 15 companies (the biggest of which is the Ratatex)

Region	Number of mills	Vital		Total	Number of mills	Semi-vital		Total	Number of Mills	Total of vital and semi-vital		Total of Looms
		Machine weaving looms	Hand weaving looms			Machine weaving looms	Hand weaving looms			Machine weaving looms	Hand weaving looms	
Greater Djakarta	2	361	-	361	5	389	85	394	7	750	85	835
West Java	12	3615	340	3955	25	2018	1361	3379	37	5633	1701	7334
	14	3976	340	4316	30	2407	1446	3773	44	6383	1786	8169
Central Java	6	1633	1712	3345	3	226	270	496	9	1859	1982	3841
Jogja	6	1114	151	1265	4	335	374	709	10	1449	525	1974
East Java	6	1114	151	1265	4	335	374	709	10	1449	525	1974
Total	26	6723	2203	8926	37	3518	2090	5608	63	6691	4293	13984

Region	the % of each region in relation to the total textile region in Indonesia		Ratio of		Notes
	machine weaving	hand weaving	machine weaving	hand weaving	
Greater Djakarta	16%	60%)	30%	70%	Especially hand-weaving
West Java	44%	)95%	90%	10%	Especially machine-weaving
Central Java	13%	17%)	85%	15%	Ditto
Jogjakarta	4%	)	99%	1%	Almost exclusively machine-weaving
East Java	18%	18%)	70%	30%	Ditto
(Outside of Java)					
Tenggara Island	0.10%	)	100%	-	- - - -
North Sumatra	2.50%	)	25%	75%	Is quite advanced in machine weaving
West Sumatra	0.85%	)5%	100%	-	- - - -
South Sumatra	0.10%	)	100%	-	- - - -
Sulawes	1.40%	)	75%	-	Is beginning to advance in machine-weaving
South Kalimantan	0.0%	)	100%	-	- - - -

100% 100%

- d) Batik: 1,600 companies with 17,500 printing tables. These companies are mostly under supervision of the GKBI [abbreviation unexplained.]
- e) Ready-to-wear clothing: with a capacity of 16,000 sewing machines. The finishing companies has received help from the BUBP [The Clothing Material Bureau] since 1959 and their operation is becoming smoother. The problems of Finishing will be discussed further in Chapter 8.

A summary of the situation of machine-weaving, hand-weaving, and finishing of which we have talked about so far, is as follows:

- 1. We still lack a lot of spinning facilities and the need to expand it is very urgent.
- 2. Machine-weaving, hand-weaving, finishing, etc. are in a more advanced situation. Companies in these fields are under supervision of industrial organizations like the Baksin Koordinasi Tekstil, the Koteksi, the Soteksi, the Legiun Veteran, the GBBI, etc. Although these organizations are not yet running as expected, improvements are being made.
- 3. The distribution of cotton thread is as follows:
To the 60% group: these are those companies that are under supervision of the governmental corporations.
To the 40% group: these are those companies that are under supervision of the Jajasan Bahan Perindustrian.
- 4. The distribution of other supplies such as dyes, chemicals, spare parts and accessories is done by the BUBP.

Chapter 8. The Textile Industry in General

By decision of the Vice-Minister of Commerce and the Vice-Minister of Industry dated 7 October 1959, a "Clothing Material Bureau" (BUBP) was formed. It consists of nine members, of which four are from the Department of Commerce, another four from the Department of People's Industry, and one from the Department of Labor. It is regretted that there are no experts from the Farm Department in the Bureau. The tasks of the BUBP are:

- a. Planning, including the planning of the Moslem New Year and the planning for 1960. In addition to this, the Bureau plans the import and distribution of the raw materials, those of the supplies, the textile production and distribution, and the financing.
- b. Control of above.

A. The Moslem New Year Plan

For this occasion, additional clothing material is needed, a part of which is imported, while another part is manufactured domestically. The imports are done by the governmental enterprises which receive instructions from the Department of Commerce. The domestic manufacturing is done under supervision of the BUBP. By using the existing machine-park, namely 15,000 machine-weaving looms, 15,000 hand-weaving looms, and 1,000

knitting machines. A production of 30 million meters is planned. The financing will be done by the State General Bank.

B. The 1960 Plan

The Minister of Development has planned a domestic production of six meters per capita; thus a production of 90 millions x 6 m = 540 million meters planned, produced in the following way:

- 1) 15,000 machine-weaving looms working two shifts =
15,000 x 2 x 300 x 20 meters = 180 million meters.
- 2) 150,000 hand-weaving looms working one shift =
150,000 x 300 x 8 meters = 360 million meters.

Other plans will be discussed briefly below:

1. The planning with regard to prices.

The BUBP is planning a standard construction to be set as a standard product.

2. The planning with regard to the purchasing section.

The imports and the distribution of textile materials are done by government corporation, with the help of organizations like the Soteksi-Koteksi and the Veteran Legion. It is well to note that all textile materials - those imported as well as those manufactured domestically - are either the property of the government or are under government supervision.

3. The planning with regard to the production section

The weaving and finishing companies are executors of the government plans c.q. the government corporations under supervision of the BUBP. Some companies are assigned to produce textiles for government agencies like the military forces and other civil agencies. For their services, the companies will receive a compensation which is equal to the cost plus a premium, the amount of which is determined by the government.

4. The planning with regard to the sales section

The production will be distributed to the weaving companies by the government corporations. Assigned to collect the cotton thread production in each region are the following governmental corporations:

I. For Middle Java: The Satya Negara, Inc.

II. For East Java, The South-East Region, Sumatra and Jakarta: The Indevitra, Inc., the Triangle, Inc. is assigned to collect the hand-weaving production. The distribution to the consumers will be done by the Department of Commerce.

5. The Financing Plan

It is decided that the financing should be done by the General State Bank (BUNEG), except with regard to imports. For this purpose the governmental corporations will contact the foreign-exchange banks on an individual basis.

A few conclusions may be drawn concerning the work of the BUBP which has to do with the whole field of textile industry and textile distribution:

1. Even though during the first few months the BUBP did not run too

- smoothly, the experiences that it got has been very worth-while.
2. The BUBP has begun to implement the standardization, namely with regard to 60% and 40% group of cotton thread.
 3. When the Moslem New Year Plan is finished, the BUBP will make a "1960 Plan" which is hoped to be better than the former one.

Part III. Miscellaneous

In this part the following problems will be discussed:

1. Research in the Agrarian and industrial sector.
2. Discussion regarding other fibers.
3. The publication of a brochure concerning "The Cotton Problem in Indonesia."
4. A summary of the activities of the Panitex in 1959.
5. Working paper of the Panitex for the year 1960.

Chapter 9.

In 1959, the Research Bureau of the Agrarian Department proceeded with the research on fibers for textile production and this mainly concerns cotton and hemp.

- a. The Cotton Experiment Center in Asambagus which was begun in 1958 is being continued. At present, the kind that is suggested to be planted is the "Kembodja-kind". Experiments on other cotton kinds are still being done.
- b. The Hemp Experiment Center in Lembang is also being continued. The best kind that so far has been found is the "Pudjon-kind". The construction of another center in North Sumatra is in the process of discussion.

Chapter 10.

The activities of the Textile Research Institute in Bandung may be summarized as follows:

1. a) It continues to give information and training.
b) Research in domestic cotton has been taken up.
2. a) It has imported spinning machines (with a capacity of 8000 spindles). The old spinning machines are now only used for research. A building to house the spinning machines is scheduled to be finished in May 1960.
b) Automatic sarong-loom have been received from Japan.
c) Hand-weaving and finishing remain the same.
3. The Institute has prepared a list with standard construction and standard prices for the BUBP.
4. It has also prepared standards for the cost of machine-weaving, hand-weaving, dyeing, finishing, etc.

Chapter 11. A discussion regarding other fibers.

As has been mentioned previously, except preliminary experiments made by Moh. Arsjad, a scientific research on many fibers available in

Indonesia has not yet been made. Since there are so many kinds of fibers in Indonesia which can be used as material for the production of thread, pulp for paper or rayon, containers, etc., the construction of a special "Fiber Institute" would be of great value.

Nipah palm which exist in great numbers in Indonesia has great possibilities and it is hoped that in 1960 it will receive more attention from the government.

Chapter 12. The publication of a brochure concerning the cotton problems in Indonesia.

Up to now, there is no book yet that gives an integral discussion on the cotton problems in Indonesia. Therefore, the Panitex has considered it necessary to publish a book called "The cotton problem in Indonesia", written by Mr. A. Sofjan, secretary of the Panitex. The brochure is not perfect, but it constitutes a good start. It contains discussion on the agrarian sector, the industrial sector and the distribution sector. It also gives a brief history of the efforts made by the government with regard to the textile problem. The brochure also gives statistical figures which were obtained from the Bureau of Statistics. It is hoped that this brochure will be used by the related agencies.

Chapter 13. A summary of the activities of the Panitex in 1959.

In 1959, the government requested that the Panitex prepare a working paper with regard to the textile problem in its entirety. This request was complied with by the Panitex in its report of 5 October 1959 and the supplements of 12 October 1959 and that of 17 October 1959.

A. The textile industry sector.

Short-run program for 1960:

1. In order to be self-supporting with regard to clothing materials and to reach the target of six meter a year per capita, 90 million x 6 = 540 million meter of clothing is needed. The estimate on the population number is the latest one available that is also being used by other government agencies.
2. If it is considered necessary, a big part of the imports of textile can be stopped, provided there are enough semi-manufactures, supplies, and spare-parts on stock. In this respect, standardization is very important so that only those that are very necessary will be produced, like: kaki, unbleached cambrics, sarongs, luriks, underwears, handkerchieves, blankets, etc.
3. The existing machine-park consist of the followings:
 - I. Spinning (122,000 spindles for cotton and 6,000 spindles for hemp)
 - a. Yearly capacity of cotton spinning = 12,000 tons
 - b. Yearly capacity of hemp spinning = 450 tons
 - Total 12,450 tons
 - II. Weaving
 - a. Primitive weaving machines: about 700,000 with an average capacity of 1 meter daily each. These machines are considered as reserves.

- b. Machine-weaving looms: about 130,500 with an average capacity of 8 meter each 7-hour working day.
- c. Machine-weaving looms with 1x width: about 9,200 with an average capacity of 20 meter each 7-hour working day.
- d. Machine-weaving loom with a 2x width: about 4,900 with an average capacity of 28 meter each 7-hour working day.

III. Miscellaneous

There are 22 finishing companies and 15 printing companies. The ready-to-wear producing companies has a capacity of 16,000 sewing machines.

The production of textile using the existing machines and working one shift a day is estimated to be 400 meters a year. By working 2 shifts a production of 700 meters could be reached.

The needed amount of textile is based on the following calculation:

I. The target is 6 meter per capita yearly.

The number of the population in Indonesia is 90 million and therefore $90 \text{ million} \times 6 = 540 \text{ million meters}$ of textile is needed.

II. The production will be divided as follows:

- a) unbleached cambrics: 20% of 540 million meter = 104 million meters = 54,000 tons
- b) kaki: 25% of 540 million meters = 135 million meters = 46,450 tons
- c) Sarong: 10% of 540 million meters = 54 million meters = 10,800 tons
- d) lurik: 10% of 540 million meters = 54 million meters = 9,000 tons
- e) underwear: 5% of 540 million meters = 27 million meters = 5,400 tons.

Total: 540 million meters = 115,650 tons

III. The variety of the textiles to be produced:

IV. The production capacity

- a) of 1 hand-weaving loom per 7-hour workday working 1 shift: 8 meter.
- b) 1 1x width machine-weaving loom per 7-hour workday working one shift: 30 meters
- c) 1 2 x width machine-weaving loom per 7-hour workday working one shift: 28 meters

V. The number of weaving machines according to the licenses that were registered on 10 September 1959.

Number of machine-weaving companies	machine-weaving looms	1x Width	2x Width
2,807	151,631	9,121	7,832
Number of hand-weaving companies	MRB (Hongkong)	Tempkins (USA)	
172	1,021	234	

VI. The Production Capacity

Unbleached cambrics and kaki are made by means of

Sarongs and Luriks are made by means of wooden weaving looms.

- a. Unbleached cambrics and kaki
The yearly production of 1 x width looms is $9,121 \times 20 \times 300 = 54,726,000$ m.
" " " 2 x width looms is $7,832 \times 28 \times 300 = 65,800,000$ m.

Needed is 405 million meters. If we work 2 shifts, the production will be 109 million + 131 million meters = 240 million meter. This means that we need $156,000,000 : 24,000 = 68,750$ machine-weaving loom working 7-hour working 1 shift or 34,375 machine-weaving looms if we work 2 shifts.

- b. Sarongs and luriks
Sarongs and luriks are made by means of wooden weaving looms. Needed is 108,000,000 meters. This can be produced by 45,000 hand-weaving looms working 1 shift or 22,500 hand-weaving looms working two shifts.

- c. Underwear (tricotage)
One Hongkong machine-weaving loom working 1 shift will produce 2,700 dozens a year = 5,400 kg.
 $27,000,000 \text{ m} = 5,400 \text{ tons} = \frac{5400 \times 1000}{5400} = 1000 \text{ Hongkong M.R.B.}$

The dyes and chemicals needed amount to:

Dyes: about 3% of the weight of the thread = 16,047,800 kg.

Chemicals: about 15% of the weight of thread = 15,637,500 kg.

5. The foreign exchange needed.

- a. The thread needed 115,650 tons
b. Less domestic production 9,000 tons
To be imported 106,650 tons

The amount of foreign exchange needed is calculated as follows:

- A. Financing, in rupiahs

1. The C&F price
2. Other costs

- Landed cost
3. Special tax 90% of 150%

- The needed rupiah financing

- B. The production cost is 40% of the raw material cost.

40% of 285% = $\frac{114x}{399x}$
Total

100x ["x" unexplained in source]
50x
150x
135x
285x

- I. For 14,000 tons of cotton is needed $14,000,000 \times 3.94 = 441,280,000$ rupiahs of foreign exchange.
Ia. For 500 tons of China Grass is needed $500,000 \times \text{Rp. } 4 \times 3.94 = 7,880,000$ rupiah foreign exchange.
II. For 106,650 tons of cotton is needed $106,650 \times 5.5 \times 2,500 \times 3.94 = 5,777,763,700$ rupiah foreign exchange.
III. For dyes and supplies is needed 921,870,000 rupiah foreign exchange.
In total 7,148,793,700 rupiah foreign exchange is needed.

- A. Rupiah Financing.

The above sum is equal to $7,148,793,700 \times 2.85 = \text{Rp. } 20,374,062,000$

- B. The cost of production amounts to 40% of the raw material cost; 40% of 20,374,062,000 = $\text{Rp. } 8,149,624,800$
Total $\text{Rp. } 28,523,686,800$

Since the money can be circulated three times a year, what is needed immediately = $1/3 \times \text{Rp. 28.5 billions} = \text{Rp. 9.5 billions}$.

6. It is very important that enough inventories of semi-manufactures, supplies and spare parts are on hand.
7. An effort should be made to improve the quality of the raw material which is produced domestically.
8. Maintenance and replacements are not less important than the above.
9. If all the textiles needed are imported, we will need 540 million times Rp. 1,000 = Rp. 5,400 million.

The average price per meter is:

1. Landed cost	Rp. 10.00
2. Other Cost	8.00
3. Transportation	2.50
Total	Rp. 20.50

To import 540 million meters Rp. 11,070 million will be needed.

B. The agriculture textile sector.

The short-run program for 1960.

There is at present no concrete plan regarding the agriculture sector. The following decisions have been made by the Department of Agriculture.

I. Cotton

- a. The PPN-Baru will execute an expansion of the Asambagus Project, which will amount to 5000 ha. with a budget of $5000 \times \text{Rp. 2000} = \text{Rp. 10,000,000}$. A concrete plan has been made by the Department of Agriculture.
- b. The cotton planting experiment in Asambagus will be continued by the Department of Agriculture.
- c. The Department of Agriculture will send a surveying team to the cotton projects in Kediri and Bali. Surveying teams will also be sent to the islands of Lombok, Sumbawa, Flores, and Timor.

II. Hemp

- a. It is unfortunate that due to technical and financial difficulties, the hemp culture which was started in North Sumatra has met with failure. In 1959, the Tani Mulja, Inc. liquidated its hemp project in Martoba.
- b. The only hemp culture which is still running is the Lidjen Plantation in Banjuwangi. Originally it had an area of 70 ha., but due to several difficulties it has been curtailed to 30 ha., and it is intended to be liquidated next year.
- c. The hemp project in 1960.
The Department of Agriculture has preparations concerning the Medan hemp project through a joint committee of the Department of Agriculture, the Department of Industry and the BIN. In 1960, an area of 500 ha. will be opened for hemp culture, with a budget of Rp. 21.3 million. A more concrete plan is being prepared.

The Budget

The following allocations has been decided by the Department of Agriculture:

- I. Rp. 10 million for the Asambagus Project, which has an area of 5000 ha.
- II. Rp. 21.3 million for the Medan hemp project, which has an area of 50 ha.

The long-range program

A long-range program will be to continue the 1960 program; to fill the need for ginneries; to improve the cotton experiment in Asambagus; and to improve the cotton seed and hemp seed culture.

AN EFFORT TO ACHIEVE THE FINANCIAL STABILITY
OF THE REGIONS OF LEVEL II

Following is the translation of an article by Soepardi, Chief Finance Officer of Region I, Central Java, in Madjalah Administrasi Negara, Vol II, No 8/9, August/September 1960, pages 288-290.

Government workers must be fully conscious of their great responsibility to the people in matters pertaining to the manipulation of government money in general, and the finances of a region in particular. They must keep in mind that money used for the government's needs is money collected from the people; it must be returned to the people as fairly as possible.

The best methods of handling the money rest solely on the ways the money is used: we must see that the result of the money spent must equal or exceed the money collected from the people. Money is a most important element. If the manipulation of it is good, the wheels of government will function correctly; but if the manipulation of money is not right (spending the money illegally or unprofitably, disregarding the elements of economy), then everything will be in confusion and, as a result, the government will collapse.

I Financial condition of the regions of level II.

The financial condition of the regions of rank II in the Central Java District is in a disturbing state; a solution in this matter is needed, for if this unhealthy condition should continue, we are afraid something unpleasant might happen which would result in a fall of prestige for the regional government in the eyes of the people.

The existence of a money-shortage in the region has been felt since 1953. According to the numbers sent in by the regions, the shortage has reached more than ninety million rupiahs.

The reasons for this are very complicated, but we must acknowledge that the main reason is the inefficient way of spending money: it does not coincide with the main objectives which have been carried out by the regions of level II in the past. Factors having the greatest influence on the present deficit are: actions deviating from existing rules, the ignoring of instructions from higher levels, the use of money for objects outside the home regions, and exceeding the regional finances.

However, it must be acknowledged that the burden of the

regions in financing the matters which are handed over to them, such as health, are items which use the greatest part of the budgets of the regions of level II.

To overcome the shortage of money in the different regions, the region of level I, Central Java, gets a gift of advance money every month; however, this money can not be accounted for, because this will result in the movement of the government of level I. This is because this money already has its goal; this goal is the financing of projects in the area of level I itself.

II Efforts to stabilize the financial condition of regions of level II.

Because of the existing condition, it is about time that steps are taken to find any possible ways to stabilize once again the financial problems of the regions of level II.

The level shouldn't carry out all the measures from the still-valid rules, but should rather pay great attention to instructions and hints regarding the control of money from the higher levels.

To return to the matter of the deficit: here we must find ways to cover it, because if this deficit keeps growing, the regions can never solve their financial problems.

Regarding the present financial condition of the government, it is not wise that we depend too much on the central government for support in order to cover the deficit; rather, the regions should use its own initiative, because the cause of the deficit is the fault of the regions themselves from not running matters well.

In the region of level I, Central Java, efforts have been made to ease the burden of the regions of level II in trying to overcome their difficulties. However, since the financial condition of region of level I itself is still not very good, the only solution is to send in a request to the central government for additional support. If this support is not possible, then a loan with a low interest rate and long-term reimbursement could be given.

The other possibility that can be expected is the carrying-out of article 12, paragraph 2, of Government Ruling No 64, 1957, regarding the surrendering of the clean yield from the Forest Administration to the lower regions.

According to calculations, if the regions of level II can be given as much as 30% of the product, then the entire deficit of the regions of level II could be covered immediately.

Furthermore, since there are taxes from agricultural products which have to be deposited to the cash office of the regions of level II, it would be good if the central government were to make certain that the regions of level II are permitted to use a part of the income for the expenses of different projects in the regions.

III Financial budget of the region.

If regions of level II in the past have always arranged their

financial budget according to their wishes, starting with the year 1960 it would be good if they could arrange a certain budget which is proper and real, meaning that the amount of expenditures planned in the budget is based on clear factors. They should temporarily set aside all intentions for the expansion of the total numbers of personnel and objects in the area.

Experience from the past years has shown how difficult is the execution of a budget which is not realistic. A budget that has been planned without making any calculation before-hand on all possibilities for its execution cannot be accepted.

As it has been understood, the budget of regions of level II consists of money from the state in the form of contribution, subsidy, and some state tax revenue, along with the income of the region itself.

Usually the amount of state contributions and taxes, in addition to the amount of money received by the region itself, are only sufficient for routine expenses, whereas the amount of subsidy and that received from Pueks must be used for expenses toward certain efforts. The certainty as to the existence of funds for routine expenses and effort expenses should be utilized so that money received from subsidy and pueks could be used solely for construction works; in this way the region could flourish.

It was acknowledged that because of the wage-tax and income-tax reduction of approximately 50%, the amount to be received by the regions of level II from the share of income taxes will go down. Besides the factors that cause a decrease in the amount of money received from the taxes, there are also other factors that can raise income, for instance, by intensifying direct efforts by the Tax Service itself, aid from connected regions, or with aid from local organs.

Furthermore, in conformance with constitutional provisions regarding financial proportions (No 32, 1956), it is fitting that regions of level II which have not yet fixed rulings regarding their collection of deduction and development-taxes should implement the above rulings in 1960. The result thereof will be much better than if they were to be collected by the Central Government; it could add to the income of the region itself.

Henceforth, regions of level II must carefully pay attention to the instructions of its superior regarding the effort to increase the local income of a region and to economize expenses.

Regarding the increasing of the local income of a region, it is suggested that the following steps be taken: a) intensify supervision of the local income of the region, b) inspect the tax-lists and the retribution of the regions already existed, and c) look for sources of new income.

It is awkward that at the present time there are regions possessing markets with an income therefrom which is not sufficient even to cover expenses. Markets should be the greatest source of income for a region. There are also other objects in the region which in truth should bring profit but on the contrary suffer losses.

It is also a pity that in some regions it was found out that great losses are suffered in the operation in carrying of certain enterprises. In these cases the region concerned should make a careful study and take certain steps toward the enterprises mentioned.

With regard to expenditures, it is well to caution the regions so that they will not assume expenses for matters not within their competence; furthermore, it would be well if the regions were to economize wherever possible.

It is wise also to examine matters regarding employment, because the balance between the cost of living and employee expenditures in several regions is very unbalanced due to excess employees or too many promotions. Because of these factors, region's budget may become weak or unbalanced. For these reasons and because the laying-off of employees is not wanted, it is therefore wise if employment is done rationally and efficiently, and if a tactful employment policy is followed.

After all of the above-mentioned measures are applied as deeply as possible, and if it is found that according to the calculation the amount received from contributions, State subsidies, and local income is more than the amount needed for routine expenses, the region could therefore plan an expenditure for developmental purposes aside from the developmental expenses financed from subsidy money and from the amount received which was originally planned in the budget. It could also be included in the budget, with changes, to be used to defray additional routine expenses or as a developmental budget.

The habit of the regions always to request subsidy for different projects is not proper; article eight of the Constitution regarding the balance of finance states that only for special needs can subsidy be issued, for example, to repair heavy damage due to a natural catastrophe (the expense of which could be handled by the region itself), for the execution of projects, or for definite action by the region not only for the benefit of the place but for the welfare of the public.

Because the amount of subsidy and contributions received by the regions in 1960, with an additional amount from the pueks, is more than the previous year, it is hoped that the regions can start improving the condition of their financial affairs.

Therefore, beginning with 1960 the budget of a region cannot be accepted if it is only being made according to a mere wish; it is hoped that it can be adjusted to the strength of the region, because a deviation from this decision is going to cause difficulties to the region itself.

IV The Management of finances of the regions according to the definitions in the ordinances of regencies and municipalities

The Governor, Head of the Region of Central Java, has proposed that the regions of level II should change their financial matters from the account system back to the old system, as has been fixed

by the ordinances of regencies and municipalities, because both ordinances are based on chapter 75, paragraph 2, "institutions" No 1, 1957; chapter 21, President's Decision No 6, 1959, is still valid.

The reason that the old system should be used again can be clearly understood by the regions as to the profit and the loss derived from it. Furthermore, this old system is well understood by the regional monetary experts; thus, for the benefit as well as for the improvement of administration of financial affairs in the region, it is fitting that beginning 1960 the regions should carry it out. The old management could be easily accounted for, and it is juridically right because the account system is only valid for managing the finances of the country -- not of the regions.

The decision as mentioned in Chapter VI in the Regency Ordinance (Government Bulletin 1924, No 79 c.a.), Chapter IX of the Municipality Ordinance (Government Bulletin 1926, No 365 c.a.), and "Budgets, Receipts, and Management Instructions of 1936" (Government Bulletin 1936, No 432) seems to be sufficient to guarantee the good and efficient management of the financial affairs of the regions.

Semarang, 27 July 1960.

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II. POLITICAL

AUTONOMY IN INDONESIA

Following is the translation of an article by Master of Law Partokuntadi in Madjalah Administrasi Negara, Vol II, No 8/9, August/September 1960, pages 283-286.⁷

As are the words "state," "law," "government," or "democracy," the word "sovereignty" of state or country is an abstraction. Experts have not yet been able to agree on how to fix its real meaning. In truth, it is not possible to find a real definition of certain words in the field of knowledge, a definition which is unconditionally applicable for all people, at any time, on any occasion, and at any place.

Furthermore, it is known that numerous conceptions have been put forward by these experts as individuals. If a categorization for the various conceptions can be made, three general conceptions of influence can be summed up:

1. The sovereignty of a country is a concept which is absolute; in other words, it is absolute power outward as well as inward. This concept was pioneered by Jean Bodin.

2. The sovereignty of a country is a relative concept; because of this, the sovereignty of a country can be divided into judicial government and factual government.

This concept, which was pioneered by Master of Law J. P. A. Francois, has been practiced by the Dutch Government upon the Government of the Republic of Indonesia during the political dispute with Indonesia (1945-1949) and now regarding the West-Irian (West New-Guinea) problem. The Dutch viewpoint is described below:

1. Towards Indonesia (1945-1949): the Dutch Government's Jurisdiction was in effect with the control of the Government of the Republic of Indonesia.

2. Towards West-Irian (since this is the disputed area): the jurisdiction of the Government of the Republic of Indonesia and the control by the Dutch Government were in effect. With this understanding, the Dutch put great effort to reach her political goal.

3. The sovereignty of a country is competence. With the existence of modern thinking, which interprets the sovereignty of a country as competence, it is not necessary to analyze further the two concepts mentioned above.

The competences have the following meanings:

- A. The first competence means the power of law which is obtained from the law among nations. International law imposes certain limitations which are necessary for power to be given to law. This competence is a means by which power is directed inward;

this inward power is the second competence.

B. The second competence, as mentioned above, is inward power. This inward power consists of the following three elements:

a. the personal element, which pertains to the question: "Which citizenship do people of this country hold?"

b. territorial elements, which pertain to the question: "Where does this country execute its power?"

c. the business element, which pertains to the question: "What are the things that belong to the country?"

Based on this initial definition, the connections between countries are clearly seen in those areas where a central power has not been able to become established which can control all the countries. A country whose outward power is controlled by the law among nations (while there is a certain sanction to this) has no possibilities to cover itself or to give its opposition or suspension, which sometimes causes international incidents or even war.

It is altogether different regarding the inward power of a given country. Here power is a must. A country has an obligation to keep its existence; in other words, a country has the full right to carry out its jurisdiction as well as to control its own territory. The inward power or "second competence" in every nation came into being in the form of government. Government has two foundations: an expert foundation, and a territorial foundation.

An expert foundation means that all problems belong to the general public (problems of business belong to the people), and are put in the hands of experts for solution. This foundation came into being in the 16th century in France. At that time departments were used; they were five in number: diplomacy, defense, justice, finance, and police (remember the letter c in this word).

In the beginning the word police meant "all governments in the country" (hetganse binnenlands bestuur -- the real government officials), but afterwards its meaning was divided: a. In the positive sense it became Wohlfahrtspolizei -- Health Police, or Wohlfahrtspflege -- Public Welfare; the Health Police is a government unit attending to the interest of the people with positive action, for example, construction of school buildings, construction of hospitals, preparation of irrigation, organization of traffic, organization of transportation. b. In the negative sense it becomes Sicherheitspolizei -- Security Police. The Security Police is for the prevention of danger, a certain guarantee to the people for protection from any kind of danger by keeping public peace and order. In other words, the main duty of the Sicherheitspolizei is "to watch and wait." From the Sicherheitspolizei, the word police came into use.

The Territorial foundation came into use with the concepts of centralization and decentralization. With a centralization foundation, the whole provincial state is divided into provincial posts which (as in Indonesia) are headed by representatives of the central government.

Decentralization means the allocation of power from the higher government to local officials and the administration. These positions are: the Central Government, Governor, Resident /district commissioner/, Bupati /District Head-Mayor/, Wedana /Chief of a district under the Bupati/, Assistant Wedana, and vertical departments. There are also other departments outside the Department of the Interior and Provincial Autonomy.

Local officials and administrators carry out only orders or decisions made by the higher echelons. According to the decentralization base, the whole of the area is divided into autonomous regions. Decentralization takes the form of both western and eastern decentralization.

Western decentralization is political, functional, cultural, and technical decentralization. Political decentralization is the arbitrary overflow from the central government to the autonomous bodies, that is, District Autonomy Chief of Area I/II, and/or DPRD/BPH-nja /Dewan Perwakilan Rakyat Daerah/Badan Pemerintah Harian -- Council of the House of Representatives of the Region/ Daily Government Body/.

Functional decentralization is the arbitrary overflow in the autonomy from the central government to the interested group. A function means the working circle of the government as a whole. With this form of decentralization it is expected that each person will do his assigned duty well; in other words, these groups have a certain obligation to the public. Functional decentralization gives the group concerned the right to do its duties. Which are the groups that can be considered important? W. P. J. Pompe, a Catholic scholar, answered the question in his book Het nieuwe tijdperk en het recht (The new era and the right) as follows:

The public is divided into three groups: the governing group, the economic group, and the instruction group.

Functional decentralization would carry out their needs through autonomous rule and government. The position of the government in this matter is only to give its ratification on all matters that have been fixed by the local governing bodies.

Cultural decentralization is the spreading of cultures in the autonomy from the central government to the minority group. It is expected that in this kind of decentralization the culture of the minority group will be preserved, i.e., guaranteed by the right to have autonomous languages, arts, schooling, etc.

Minority groups had their origin in Europe. In the world it is customary that they are given freedom. But aside from having freedom, their livelihood must also be guaranteed. It is nearly impossible for a certain minority to struggle for their daily needs in their little towns. Because of this, this minority group is being grouped together with a nation which has a close resemblance to the minority group mentioned above. Why is it that a guarantee needed to be given to this minority? It is because of Wilson's theory regarding the right of self-determination.

Wilson, in facing the peace conference in Versailles, presented to the American Congress the following agenda, which consisted of 14 points. The most important question in the agenda was the subject pertaining "the right of self-determination."

In the treaty which was signed in Versailles, it was decided to put into practice the right of self-determination by giving self-government to all people in Europe. But since then it has been found out that in order to build a country efficiently, the country must be self-supporting; this resulted in the combining of minority groups with native people with the same ways of life.

Technical decentralization is the outflow of technical grants in the autonomy from the central government to technicians or experts. In this kind of decentralization it is necessary that all governmental matters are given to labor, technicians, and experts. This technical decentralization is the spiritual result of Harold J. Laski.

Eastern decentralization is a kind of decentralization which functions within a fixed region in Indonesia where the organization and function is still original; it is a government region with native leaders.

Just for the sake of knowledge, it is good to take this opportunity to put forward an understanding concerning decentralization which was emphasized by a certain group around the Department of Interior and Autonomous Regions. Within the framework of evaluating and analyzing Constitution Number 6 of 1959 regarding the placing of central governmental duties in the field of government in general, the aid of the government employee and the surrendering of money to the local government are seen as follows:

"Ordinance No 6 of 1959 is based on a decentralization conception which is followed by Ordinance No 22 of 1948 and Ordinance No 1 of 1957. Based on this, the responsibility of the local government which is placed in the hands of the Governor and members of the civil service under him must be transferred to the Provincial Government, Level I; and Regional Level II. Until now, the meaning of autonomy was based on the concept of functional decentralization, under which the duties of the provincial government have been limited; that is, handling only certain functions according to the level of their rights, whereas responsibility for the people is still in the hands of the members of the civil service acting for central government in the field of government in general.

In short, this is the opinion. Even though it is not deep enough, it is sufficient to picture the meaning, that the territorial decentralization is called such because of the transfer of responsibility of the civil service to the territorial government. In that it seems there is an error in the fact that by itself decentralization has shown the existence of a territory, in part or whole, of the country where it is valid. Hence, decentralization is nothing but an autology of territorial decentralization. This critique is also valid in the findings of Logemann, where in his book (Het staatrecht

van Indonesia /The State Law of Indonesia⁷, 1954 Edition, page 23) decentralization was left out in order to make use of the more up-to-date power separation. According to van Vollenhoven's opinion, there are four areas of power: regulations, government, court of justice, and police. The broader meaning of government is the same as the meaning of government proposed by van Vollenhoven.

In principle, these four powers are given to the decentralized bodies; but in actuality, the authority was not given. This is proved by the existence of such executorial phrases as "in the name of the President" in the past or "in the name of Justice," now being used in a decision made by judges in Indonesia. With the exception of England, courts of justice are everywhere in the hands of the central government.

It is possible that the power of the police could be handed over to the decentralized bodies, but historically in Indonesia there exist only two powers which are delegated: rule and government. Self-government is also often called "Autonomy and Fellow-government."

The word "autonomy" itself means self-lawgiving, or self-rule. If we were to give the meaning of autonomy as self-rule, we can assume that self-ruling doesn't coincide with the meaning of autonomy according to historical development; but actually autonomy in this case is used in a historical sense; it must therefore have rule and government. If the power to rule and govern existed in decentralized bodies, these bodies on their own initiative could settle their household problems with laws in the material sense (important laws regarding the needs of the people as a whole) and by attending to the interests of the people.

Medebewind means "carrying out the laws of the opposite side according to liberty;" thus it couldn't be possible for the central government to specify imperatively the system to make the laws; in other words, medebewind means aid to the central government in carrying out its rulings so in order that it is in harmony with the condition of the area itself.

Besides medebewind there is also "fellow rulers," which means only helping to carry out the action (without making an exception of the central government ruling).

Autonomy as well as medebewind (and authorities) are included in the circular decentralization of politics or policies.

From the standpoint of the development of the Indonesian Government, it can be seen that during the Netherlands Indies Period, the Japanese Occupation Period, and until the present time, both systems -- the centralized and decentralized -- were being used.

If we should examine Logemann's ideas in dividing the Netherlands Indies, it would seem that to him Indonesia was looked upon during the VOC /Verenigde Oost Indisch Compagnie -- United East India Company⁷ as a gentleman's state; he later said that Indonesia is a welfare state.

While a "gentleman's state," the centralized system was carried out in detail. This continued until 1905, when the state

really became a welfare state. During this year, 1905, the first local resort arose.

From 1905 until the present time, the two systems functioned side by side with indications showing the transfer of pressure since 1905 until 1948-50 (remember the Basic Constitution of the regions of the Republic of Indonesia, No 22, year 1948, and the State of East Indonesia, No 44, year 1950). Earlier pressure was in the centralized system, whereas since the year 1948-50 the pressure became decentralized.

In the creation of autonomy, the government had in mind that the autonomy should have a very broad nature. It is the wish of the people to be able to carry out their system of government as an autonomy in the strictest sense of the word. What is really the meaning of the phrase "as broad as possible?" If it means carrying out autonomous government without having the centralized government on its side (in other words, if the present dualistic government is stopped entirely -- meaning the autonomous government), then we should remember the explanation mentioned above of the historical duties in Indonesia of rules and government, and that the decentralized government is only narrow in meaning. Because of this, it is very difficult to express our findings so that in the shortest time possible a situation could be reached where the only government is autonomy, unless the political factor wishes to use radical means.

If the autonomous government, after a certain period of time, reaches its full control, this does not mean that the ties between the decentralized government (autonomy) and the sovereignty (in the second meaning of "competence") will be in trouble one with the other because of a difference in opinion over decentralization versus centralization. In theory, both are integral parts of sovereignty itself, because the central government still has the right to supervise the autonomous government and, if necessary, to take preventive measures (preventive and repressive) against it as a consequence of supervision.

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THE ROLE OF ADMINISTRATION IN THE NATION'S LIFE

[Following is the translation of an article
in Madjalah administrasi negara, Vol II,
No 8/9, August/September 1960, pages 292-294.]

Necessity for Administrative Skill

It is obvious that during modern times the duties of the world's countries and governments have become more and more complicated. The era of caring for only the welfare of the palace and the collecting of taxes by the country's administration has passed. The position of the administration in caring for the welfare of the people becomes more and more important because of the daily advancement of culture.

The difference between a well-developed country and a country in a developmental phase (just like ours) is that the role of the country and its administration is far more difficult and heavier--the entire development plan must be pioneered by the country.

In such a condition, namely, where a country is facing a variety of duties, there are countries which accept the viewpoint of socialism. Thus, there is every reason for us to develop our country's administration in the shortest time possible and in such a way that the duties of the country will be performed smoothly. Our capable man power in the fields of employment, finance, and general administration (management) is far from sufficient, whereas the work and duties that rest on the country's shoulder is increasing as the days go by.

Based on USDEK (1945 Constitution; Socialism la Indonesia; Guided Democracy; Guided Economy; National Identity) and the Political Manifesto, our country has determined to guide and to take the responsibility for regulating the life of the people. Thus the duty of the country's administration is not merely to keep the wheels of government running, but also to guide the economic and financial fields.

Problems Faced by Our Government

As mentioned, the duties faced by the administration of

of the country are very broad; consequently, the demand for administrative skill has mounted. It is probable that questions will arise from the people, as to whether the present number of employees is not enough to carry out all duties of the government.

Quantitatively, it is probable that the total number of employees at the moment is more than is needed, but their quality is still unsatisfactory. They are still lacking the administrative skill necessary for really knowing their duties. It is true that each year our administrative skill is increasing, but the amount required is more than the increase.

There are several factors that made us face the shortage of administrative skill.

First, it was clear that the government's administration faces duties much heavier than ever before, especially at the time when a guided state economy and total development is being implemented. The word "guided" means "guided by the state or country." To carry out these duties naturally capable administrators are needed.

Second, since the time when Indonesia lost all her foreign administrators, she has been facing quite a difficult problem, since most capable Indonesia administrators have been burdened with many duties. The positions vacated by the foreign administrators could not be filled in immediately, and many times they were filled by Indonesian administrators.

This is why openings have been filled by Indonesians who are capable but overburdened, or very often filled in by our own people who in reality are not familiar with the job.

Third, we are going to face a difficult time in the near future because many aged administrators will have to resign. Upon their resignation, if the government has not prepared to fill in the openings, there is going to be a vacuum. This will hold back the progress of the country and the effort of development in general, because this group usually is comprised of experienced people and people with special talent. Because of this, we must always struggle to overcome these problems so that their departure will not cause a great loss.

The above three factors are the reason why we should prepare a source of administrative skill in the shortest possible time; in this way, we could prevent all difficulties which may arise.

Aside from all this, we also are confronting the fact that the younger generation has not enough practice and experience to replace the country's administrators who are going to vacate their positions early because of pension. Taking all of the above factors into consideration, it is time that

we encourage every opportunity and effort which has as its goal the developing and teaching of administrators.

The Development of Administrative Skill

Because the matters which must be faced by the government are getting broader and more diverse, it is clear that the country must promote the development of administrative skill in every way possible in order to obtain capable personable personnel in the shortest possible time. Whether the administrative skill to be produced will be used in the field of public administration or in the economic system, in principle both fields should be developed.

Those who will be assigned to the field of public administration should know their duties well, so as to be able to show their abilities; the same is true for those who will be assigned to the field of economics. These people should know how to put their knowledge into practice for the purpose of the development of the country. This is why the government made the decision two years ago to open the State Administration Institute. The State Administration Institute was made official on 5 May 1958 as an activity center for the perfection of the government's tool. To achieve this goal, this Institute must perform the following functions:

1. As the center of education, it must carry out and join in the giving of guidance for the education and practice of employees or recruits, so that they can obtain administrative skill and personality as the government's employee.

2. Carrying out and aiding the research efforts which are being done in the field of government administration.

3. As a consultative body for the government in its effort to correct and make the administration perfect.

4. To expand administrative knowledge of government, which as knowledge is still new to the society of Indonesia.

This was the initiative of Mr Sarino Mangunpranoto, who at that time was Minister of Education, Instruction and Culture.

There are still many more programs which are being done by the government to achieve the above-mentioned goal through the State Administration Institute and through the respective departments; for example, the sending of students and employees to different parts of the world in order to study the details of administration. This is only one step, being taken by the government to obtain capable personnel. In the country itself, university education in the field of state administration and economic administration (state

or private) is getting broader. Just recently in Bandung itself, the creation of the Social and Political Faculty has been announced officially from Padjadjaran University, among others covering the field of state and economic administration.

Personnel educated in the field of public administration seem to be capable of carrying out their duties in the government; in this way the government machine can function effectively and smoothly. The structure as well as the procedure of the state administration should be arranged in such a way that all duties assigned can be done efficiently. It is also hoped that personnel trained in business administration can carry out their duties the best way possible so that the guided economy can be carried out in our country. At present, we often hear complaints that the methods used by the state enterprises, banks, and institutes connected with economic matters are far from being satisfactory.

Because of this, the improvement of administration in the field of the economy should receive attention; it should especially take into account that the mass development plan of the first phase, which was arranged by DEPERNAS [Dewan Perantjang Nasional--National Planning Council], is going to begun soon. The role of the administrative skill in both fields, that is, public administration and economic administration, is very important in the atmosphere of guided democracy and guided economy because the interest and the welfare of the public is chiefly their responsibility.

KPA and KPAA

KPA and KPAA erected by the Department of Education, Instruction, and Culture, is an effort for the instruction of general administration; it was the first one built by the government, aside from administrative courses put out by the Department of the Interior, which cover mainly the field of knowledge in local administration.

In the meantime, knowledge in the field of state administration developed rapidly, especially with the introduction of new ideas and methods in administration, state administration, and economic administration, as well as the continual pressure for the state's and society's need for capable administrative personnel. It could be summed up that education for administration is now generally centralized towards management, with the aim of producing in the shortest possible time possible as much personnel as possible for management and for the various fields, with the hope that this management personnel could offer administrative leadership

in their service, office or respective enterprise.

Students studying at KPA and KPAA generally act as supervisory members and leaders for the guidance and supervision of the lower echelons of the hierarchy of offices.

Precisely because the students in their office hold a position as a first-level supervisor, they represent an important force as government officials; they must see that all orders and directives from above are actually carried out, and they must act as liason between the leaders above and the executors below. With regard to this, it is deemed necessary that they receive education in the field of management, even in a simplified form with respect to their working technique as well as human relations.

We are also confident that the curricula of KPA and KPAA contain subjects directed toward the managerial skill of the students, although in a form which is very simple, as mentioned above.

Just as the handling of important assignments (for example, in estates and factories) depends upon the capability and personality of the "foreman," so it is that the administrative work in offices often depends upon the ability and personality of the heads of first-line supervisors. Aside from the top architects, it is true that in practice we badly need people in the front line who can directly lead and supervise the performance of the daily work.

Students are practical people, hence employees who daily work in their respective offices. This condition gives the opportunity to create a fusion between theory and practice; it also provides a good opportunity for course and office leaders to change their views regarding the subjects or methods of presenting the lessons which maybe needed for the progress of the students. In this matter it is necessary to state the opinion that the progress of the students also means the progress of the office where they work, with the hope that they really contribute the knowledge and faithfulness which they receive from course, to their office.

Seen from reality, and also in agreement with the goals of KPA and KPAA, courses and training positions in the field of administration are needed by the country and society which could raise their services or offices to a higher level. It is a good personnel policy to consider employees in the field more fitting after they have completed their studies. It encourages the career planning of the employee concerned, and is an effort toward the improvement of their service.

The students, after pursuing their courses until they are successful, receive additional knowledge and experience. It is wise if their duties and their positions are fitted to

their training ability; this too must be fitted in with the needs of their service. In this way it can be expected that the sources of administrative skill will be utilized in the best possible fashion.

In conclusion, the State Administration Institute is very happy that KPA and KPAA students already have an organization league, hoping that this league will encourage advancement in the knowledge of practical administration in general.

The State Administration Institute itself, as a government body having a service-duty, profits in the effort of developing state administrative knowledge and practice. It is always open for the League of State Administrative Student Employees as well as for other bodies and organization in the field of administration. The changing of ideas and other necessities for the progress and development of administrative skill and knowledge carries the conviction that any action perfecting the state administration also means progress in the development of our country and nation.

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III. SOCIOLOGICAL

PLANS FOR EXTENDING SOCIAL SECURITY FOR CIVIL SERVANTS

Following is the translation of an article by Master of Law Wiratno in Madjalah Administrasi Negara (State Administrative Journal), Vol II, No 8/9, August/September 1960, pages 266-271, 273.7

PART ONE

I General

The Constitution of 1945, Section 27, paragraph 2, states: "All citizens, as human beings, have the right to all types of work and ways of life." The life of the Government's employees at the present time is far from being satisfactory. The physical as well as the material condition of the employees in general is very depressing. The salary they receive is sufficient only to cover their primary needs for a couple of weeks. To meet their needs until the end of the month, the employees must borrow money here and there, and often times must pay high interest. Their salary is not large enough to cover the expenses of buying things they need, such as work or recreation clothes for their families. It would be worse if mishaps befell them, such as death in the family or sickness, when one must buy expensive medicines. Thus you can imagine how uneasy an employee would be facing these problems.

For the government employee, it is true that there are several rules and regulations that somehow govern his social security, such as the reimbursement of medical fees and the rules regarding pensions, but it has become generally understood that the application of these rules in practice is far from satisfactory.

Remembering that the government employee at this time has to live on the minimal standard of living (especially due to rising prices), the broadening of social security becomes a must if we expect the normal prestige of the employee and if we want to prevent the spread of demoralization among government employees.

At a time when we confront a period of advancement and the realization of the government program, which certainly needs the maximum prestige of the employee, it is fitting that he work with calmness and social security for himself as well as his family.

Organizations such as labor unions or cooperatives in each department often give aid when an employee is facing troubles or in need of financial help for various purposes but this cannot cover the actual need because of the limited capital or funds of the organizations.

With regard to the rise in prices, as a group with a fixed income, government employees are hit the hardest. Each month it can be felt how much less buying power his salary has. It is no longer a secret that most employees of the lower echelons have a "minus" income each month.

Though very often the name "wonder man" used to be given to these employees because of their hardiness, even under present conditions they are still able to survive. But reality shows that the government apparatus, which is being carried out by the so-called "wonder man", does not function as it should.

We are sure that the government apparatus will be much better and the work discipline as well as the prestige of the employee's work will be much higher if he were to get a salary which covers his primary needs and receive social security. The increase in salary under the new PGPN /Base Pay of Government Employee/ is not balanced with the increase in prices. Just to give a general picture:

Budget figures of a family in Djakarta, consisting of husband, wife, and children (December 1954 = 100).

Expense Figures For:

	Food	Drinks & Cigarettes	Personal care
December 1957	1155	180	217
December 1958	2222	431	460
December 1959	3335	248	315
April 1960	<u>3364</u>	<u>398</u>	<u>432</u>

Increase of 234% Increase of 240% Increase of 211%.

	Clothings and Shoes.	Electricity and Fuel.
December 1957	140	154
December 1958	248	223
December 1959	411	285
April 1960	<u>504</u>	<u>339</u>

Increase of 360% Increase of 220%

From this picture it is clear that the employee's salary did not in the least follow the development in prices; what can be bought with one's salary has become less and less. As you are aware, the increase in prices is due to the present inflation and the dwindling value of our money.

Looking at the prices mentioned above, many voices were heard for a raise in pay, but our financial experts always worry about the existence of a "wage-price spiral inflation." If this is the reason for being worried about a raise in an employee's salary, we also must realize that the drop of the employee's standard of living must be stopped if we are not going to let great suffering occur and if we

are going to prevent a mounting demoralization with its bad consequences.

Even though the main effort rests on strengthening our rupiah, as long as the effort bears no result it is necessary that we look for a way to ease the financial burden of the employee.

It happened that in the Department of Finance not long ago, a team was formed with the duty to make a study of the social life of the employee from all angles; we hereby present some of the ideas regarding the problems.

II Medical Treatment Reimbursement

1) It is good to guarantee that the employee not having the right to medicine and medical care gets an advance from the treasury of the department to buy medicine and pay for care. It often happens that the treasurer does not have enough money, and has to reject the request for advance payment.

This is, in reality, in contradiction with the notice of the PKN /Panitia Keuangan Negara -- Government Financial Committee/ Service dated 26 June 1959, No 70419/UP/VI, that strengthens the notice from the Health Department in which it was clarified that the money for such needs as medical care must be given out.

Experience thus far proves that money is given out only if the person concerned has shown a receipt for medical care. This problem is strongly felt by the person concerned, where his salary is not sufficient even to cover his daily needs.

Therefore, it is suggested that in this case, besides guaranteeing that advance money will be paid, each department or service should take tactful action by giving advance money when needed without first getting a letter from the Reimbursement Department of the Health Department. It is enough if the person concerned has a receipt from the doctor for the expense of medicine. It is understood that it is the duty of the person concerned to hand in all receipts necessary for reimbursement purposes. It would be better if the settlement of the reimbursement could be hastened; if necessary, more employees should be added to the department or section of the Health Department which deals with reimbursement work, so as not to let the employee concerned wait for months before the issuing of the letter of approval by the Department of Health.

2) So that the accounting of all expenses for advance money be in good order, it would be good for the method used by the Travel Service to be followed.

The money paid out for medicine should not be entered as advance money, but instead be counted as a regular expense, which later can be counted with the official amount from the Health Department.

This suggestion has received the attention of the head of the Department of Finance, and is now only awaiting enactment.

3) So that the employee can reduce the amount of money spent on transportation to and from the RSUP /Rumah Sakit Umum Pemerintah --

Government's General Hospital/ or to the doctors, it would be good if more dispensaries were formed in each department, where all employees could get treatment with a fee as minimal as possible.

4) The discrimination between employees of two classes, employees with rights and employees having no rights, which is found in the Government Paper of 1948, No 104 and which in reality during the colonial times meant making a distinction between the high and the low employee, is no longer valid, especially according to the ideas of the rights of the people, which is found in USDEK.

Because of this, it is therefore necessary that the old rules of dividing the group into two classes be abolished, and instead that all employees from the highest to the lowest (Group A to Group F) are treated equally.

If they go to the Government Hospital or doctors for treatment, they are entitled to have free treatment; if they go to public doctors or hospitals, they are entitled to reimbursement for treatment, based on the regulations which are still valid for employees of the group having no rights.

III Pension

The public in general has known how slow the settling of pensions are, especially the settling of the pension decision letter and the payment. The employee concerned has to go through many channels.

a) The employee forwards the request to the office in charge (must enclose all kinds of letters of clarification);

b) This office sends the letter to the service, who in turn forwards the letter to the department;

c) The department then sends the letter to the KUP /Bagian Pensiun dan Tundjangan -- Pension and Allowance Section/ in Bandung;

d) The KUP, Bandung, then issues the decision letter for the pension.

According to experience, these steps, from "a" to "d", take as long as six to nine months.

To prevent unnecessary ill feeling, the government has issued instructions that all requests for pensions be turned in six months beforehand; even so, there are always small hindrances that result in delay (for example, the employee who is supposed to take care of the case all of a sudden becomes sick, goes on leave, etc.).

This simply means that after being dismissed from his job, the employee will live for some time without any income; in the case of a widow it is the same.

If the employee or widow going on pension is given an advance, the burden of the person concerned will be lessened, because in this way he will have some money to spend when he has to go to Bandung to settle any problems; if he did not get any allowance, how could he take care of financial problems? Even when he receives his monthly

pay, it is still quite difficult to make ends meet. Without the decision letter, the widow receives less money than if she were to have the pension decision letter.

The decision procedure could be hastened; the team in the Finance Department that has made a careful study regarding the matter has sent in some suggestions to the head of the Department.

The making of the decision letters regarding pensions till now has been centralized at the KUP in Bandung. The procedure could be shortened with decentralization, for example, by delegating some power to the department to issue the pension decision letter.

A pension could easily be arranged (and if necessary also the issuing of pension advance-money) in the dismissal letters of the employee. In this way the KUP need not issue any pension letters, but rather supervise and make the necessary checks of the pension decision letters from the departments; aside from this, it could try to make uniform the methods of the rules and regulations concerned.

The benefits of decentralization are as follows:

a) The completion of the pension decision letters can function faster and more smoothly if the department does not have to wait a long time for it; the widow can be taken care of right after the death of her husband.

b) The decision letters need not to be separately made, but rather can be included in the dismissal letters.

c) With the work being done in the respective departments, the connection or tie between the employee or the widow with the department will exist permanently. If they were to face the officials at the KUP in Bandung, the officials would face someone who is altogether strange to them.

d) The supervision of the pension settlement could be carried out in accordance with the measures set forth in the rules.

e) It is probable that with the decentralization there will arise some doubts as to whether the employees have the knowledge to settle properly the letters regarding pension. These doubts shouldn't exist, because the departments can now issue letters authorizing advance money; this is counted as not much different from the real pension given (it thus coincides with pension decision letter). If there should be any mistake, it still can be corrected by the Office of Pensions in Bandung. The decentralization of pension disbursement was done during the Dutch East Indies period for a number of years, but was cancelled because of difficulties arising due to the lack of uniformity in the evaluation of the regulations concerned. In this manner the settlement of pension decision letter can function smoothly.

It will be good if the government were to issue a notification urging the following:

a) That every employee always takes care of his own status (monthly employee, temporary, or permanent);

b) That after working for one or two years, a temporary employee should request permanent status;

c) That every employee makes five or six copies of decision letters regarding his working experience;

d) That he keeps his marriage license carefully, and if necessary makes a photostat of it;

e) That he keeps his own date of birth and those of his wife and children;

f) That he makes a complete list of his family;

g) That he puts this in a file and keeps it in a safe place.

Aside from the procedures of pension decision letters, it is also necessary to correct the implementation of pension payments. The Central Government Pension Office and Civilian Pension Central Office in Bandung has found it necessary to issue the following instructions:

a) That a certificate of cancellation or stoppage of payment be sent not later than one month afterwards to the Central Pension Office for civilians in Bandung;

b) That the Central Civilian Pension Office need not wait for the dependent-list from the person concerned, but can give orders for the payment based on the dependent-list which was sent by the department together with the pension decision letter (in the case of decentralization).

c) If it is necessary to pay a pension advance payment, it is much better if the advance payment be made without waiting for the certificate for the stoppage of payment or the dependent-list.

IV Provisions for the Heirs

1) By this we mean the life insurance of the employee. Usually government employees pass away leaving their families without adequate guarantees, even though they received a pension. If the husband were to have life insurance with one of the life insurance companies, the family would be able to overcome the difficulties arising during the first month. But those that do have have insurance are usually employees of the upper and middle ranks only; these are just a minority. The majority, because of a lack of insurance mindedness, do not have life insurance. When the husband passes away, the family is left behind in a depressing state.

2) Thus, it is necessary to put some effort toward the formulation of rules which can be used as a means of family support after the husband passes away, at least to overcome the burden of the first few months. The Insurance Company of Indonesia, for example, has a certain kind of savings insurance whereby the employee, after signing the policy, starts paying premiums every month for a certain period of time (10, 15, 25, or 30 years). After the end of this period, the employee receives the amount paid into it or, in the event of death before term, the amount of the policy. There is also a kind of insurance called "collective" for the employees of a certain factory or business; in it the premium is paid as a group. At the Boemipoetra a certain kind of insurance

is known as "people's insurance," where people with the minimum premium (rp /rupiah/ 10) after a period of eight years can get a refund of rp 1,000 (the lowest amount). If the person concerned passes away due to accident, he will receive double the amount, with a maximum of rp 18,000. There is also one insurance known as "whole life insurance," where a person pays a premium every month, but does not receive payment as long as he is alive; payment is made as soon as he passes away. The last form is based on the ideas discussed below.

3) We suggest that the employee, by paying as small a premium as possible, can get a refund sufficient, in case he passes away leaving his family, to overcome all the difficulties of the first few months. The back payment could amount to rp 10,000 for example. If all employees were obligated to cover the insurance, (the employees number approximately 1,000,000) perhaps the premium could be lowered as far as possible, for example, rp 5 each month. The difference or shortage which the company might suffer in giving the back payment should be covered by the government, if possible. It would be good if the implementing of the insurance could be put in the hands of a government insurance company, as the corporate contractor of the country.

4) According to our ideas, the employee should be obligated to pay a minimal premium (say, rp 5). Fixing the rule for payment, we believe, is not against the USDEK; furthermore, it is for the benefit of the employees themselves (the same holds for the obligation to study or the military obligation for the country's defense). The amount is not going to be felt by the employee. The premium could be deducted from the employee's salary every month by the paymaster, who would turn the money over to the government insurance company. The back payment of rp 10,000 should be sufficient to overcome the difficulties of the employee's first months, and should be paid immediately if he passes away. This matter should be put in one of the government regulations. These are the opinions and suggestions of the team regarding pocket money for the heirs which we offer for the attention of the conference; if accepted, we suggest that a committee be formed immediately to arrange the plans for the government ruling.

PART TWO

I Social Funds

While the cooperatives can at least help cover the daily or primary needs of the employee, the immediate needs arising from fire, flood, home repair, moving to recreation home, travel due to sickness, birth, etc. have not been taken care of satisfactorily. Because of this, a way should be sought as to how a body could be formed to handle this.

The team at the Department of Finance, which has made a study of these problems, based its thought on the formation of social funds, based on guided savings without burdening the government's budget.

a) The source of money:

At the center, a social fund is formed, whereby the money is received from all the employees through the method of guidance saving. Every employee without exception is obligated to surrender each month one-half percent from his basic salary to the social funds. If each month every employee could save approximately rp 3, a million employees could save three million rupiahs; in ten years this would be rp 360 million. The contributions by the employee, as small as 1/2% of his basic pay, will not be felt by him, and will be deducted by the paymaster each month, who in turn will deposit the money in the (Central) Bank credited to the funds. If the employee passes away or is laid off, then the savings are reimbursed or given to his heirs.

As the social funds could function right away, the Central Bank should give a loan of rp 50 million for the social funds this year, 1960, without interest.

The social funds would return the loan gradually for at least 17 months. The loan is given only once, because after the 17 months the fund could function by its own strength. In this way the initial capital for the funds is not received from the country's budget, but from the Central Bank. In the concept of banking, where the world's banking later should actively join in an effort to carry out the country's development and also be held responsible for the paying of expenses, it is therefore deemed necessary that the Central Bank should give its aid in overcoming the first period of the social funds mentioned.

b) The source of money, aside from the funds, also includes from other sources through which money is obtained legally.

II The Arrangement of the Funds

a) The government forms in the center social funds for government employee; the management be appointed by the government for a fixed period. Department personnel are seated in the management, as is an executive from the RKS (Social Security Plan). This management fixes the credit allocation for each department and carries out everything to guarantee the smoothness of operation of the funds.

b) In each department, social members are delegated to take care of the performance of the social guarantee as well as possible for all employees of the department concerned. The social members fix the distribution of money which is received from the social funds by the committee which functions in the social field in each department. The management consists of personnel who are appointed by the minister for a fixed period, and also a person who is an executive of the labor union of the department concerned. The

appointment of a labor union member as an executive in the management of the social funds is in accordance with the viewpoint of the DPA (Superior Court of Justice Council), which proposed that the organizations be united in the management.

c) Method of work.

The social committee in each department should use the money received from the social funds according to the regulations of the social funds. The committee could decide upon the issuing of loans to the social bodies of the department with a guarantee to the employee for such sudden needs as fire, flood, house repair, moving, recreation, travel because of sickness or death of parents, accident, preparation for birth, and others.

If finance has become strong, an effort toward better housing for the employee (long-range plan) could be undertaken.

If from the rp 50 million, each department received, for example, an average of rp 1.5 million, this amount would be sufficient to cover the sudden social need mentioned above.

III Supervision

The management of the social fund and social committee in each department must naturally be composed of honest people with human feelings. At all times it should be guarded from the use of the social funds for other purposes. Because of this, it is necessary that there be strong supervision from the leaders of the work of the committee funds. The social committee executive of the labor union, which is also included in the management, would strengthen the supervision of the use of the money. In order that the management's tact does not depend at all times on only certain people, it is therefore necessary to change the organization of management after the time limit has expires. The social funds and social committee of each department is responsible for giving a report at least once a year.

IV The Fund Will Have a Good Effect on Various Fields

a) With the existence of a greater social guarantee for the employee, a peacefulness in his work will be achieved; this is very important in order for him to perform his work well. The employee would not have to leave his office for hours or even days in order to get a loan, or to sell or to pawn his belongings. With the existence of the guarantee for his sudden needs, many kinds of corruption will be cut down, all of which are due to the money problem of the employee. Work discipline will also be increased. Personal creditors in the department can be eliminated.

b) The social committee formed in each department could control more actively the development of the social bodies and could lead toward the healthy development in the issuing of credit to them. Social bodies could ask financial aid from the Social Committee.

Thus, they would not have to get loans from banks, which usually charge a high rate of interest.

c) Guided savings is essential in the forming of capital and has a good influence on money matters. This system is in agreement with USDEK and is for the welfare of the employees themselves.

d) The collection of the funds' capital would not put a burden on the budget of the country, because it would be channeled through the Central Bank. In this matter, the Bank of Indonesia has to give its support for the first capital (without a treasury note and without interest).

e) Because obligatory savings must be of a minimal sum, the deduction won't be felt by the employee; in turn, facing the coming days with the benefit from the funds is surely wonderful. Because of this the system can be fully justified.

Thus it is with the ideas regarding the thoughts of forming social funds. In reality, money has been set aside by the government for several social bodies (cooperatives). (Finance Department Instructions, dated 29 February 1960), but this aid is burdening the government's budget.

Our plans for the existence of the social funds is not going to burden the budget at all. Because of this, we put forward our thoughts before this conference with the hope of their enactment and, if necessary, to form an interdepartmental team.

Cooperation is the best organization to channel things for the employee's consumption; prices are kept as low as possible and distribution is equalized with guidance from the management.

V The Employee's Salary

If we are to talk about the salary of government employee, whether we like it or not we must not overlook the financial situation of the government in general. If we look at it from the standpoint of the financial development of the country, the general outline is as follows:

Amount of money in circulation in:

End of December	1957	-----	rp 18.9 billion.
End of December	1958	-----	rp 29.3 billion.
September	1959	-----	rp 21.6 billion.
End of December	1959	-----	rp 34.3 billion.
April	1960	-----	rp 42.6 billion.

Down payment from Bank of Indonesia to the government:

End of December	1957	-----	rp 15.2 billion.
End of December	1958	-----	rp 24.8 billion.
September 2,	1959	-----	rp 23.5 billion.
End of December	1959	-----	rp 28.2 billion.
June	1960	-----	rp 26.7 billion.

Enterprises and government foundations in the middle of June 1960 totaled, more or less, rp 17.4 billion. In previous years, an inflation period occurred because of the increase of the advance money from Bank of Indonesia to the government; however, after the devaluation of certain bank notes of last year, the rise of the money volume as seen on the list above occurred because of the credit system.

The credit system is needed to speed the distribution of goods. If the flow of goods goes smoothly, then the credits issued will go down and the amount of money in circulation will also go down. As seen, the advance money of the government during the six months of this year shows signs of decreasing; such indications never existed during the past years. The increase in the volume of money is not due to the government administration. As long as total of the credit system is great and the flow of goods has not functioned as it should, the pressure of inflation will be felt by the people; this is seen through the rising of prices. That this situation is causing increasing difficulty among the employees is obvious. If we were to look at the development of salaries during this period, we would find that on 1 June 1950 the minimal basic pay according to the Rules of Government Pay for Employees is rp 79, with a maximum of rp 1,313. On 1 May 1959 the minimal basic pay is rp 81, and the maximum is rp 1,620. On 1 July 1957 the minimal basic pay is rp 85, the maximum is rp 1,620. (Government Notice 10/57 and allowance expert.) On 1 September 1957, PP 35/57 (general high-expense allowance) for groups A, B, C, and D shows 12% of net pay. On 1 October 1958 (PP 35/57 and PP 61/58), allowances for general high expenses for groups A, B, C, and D totaled 16%. On 1 January 1959 (PP 7/59) the minimal salary is rp 135 and the maximum is rp 2,700. The allowance for general high expenses for all groups is 16% of net pay. The expert allowance is cancelled.

If we were to look at the expenses of living and foods, drinks, cigarettes, clothings, shoes, fuel, electricity, water, etc., the development is as follows (1954 = 100):

December	1957	-	139
December	1958	-	213
December	1959	-	290
April	1960	-	336

The index number from December 1957 till January 1959 rises by 81 points. During that time the allowance for high expenses is raised from 12% to 16%. From January 1959 till April 1960, the index number rises by 116 points.

The RKS (Social Security Program) has made a proposal demanding an allowance raise for high expenses from 16% to 50%. In the past it was usual that when there was a rise in prices, this caused a rise in salaries. It is logical that there is a demand for a pay raise now, because the livelihood pressure on the

employee is getting heavier every day. From the point of view of money value, the pay raise will cause a general increase in prices because the rise in income will find consumer goods as its target until there is an increase in demand.

With this, there will be a competition between wages and prices, just as we have experienced all this time. Wage-price-spiral inflation is one that our monetary experts fear in the event of a raise in wages. But as explained before, it is also necessary that we find some solutions to stop the decline of the employees' livelihood; we must prevent the ever-increasing demoralization with all its bad consequences.

The way to be taken should not in any way jeopardize the monetary situation. This could be achieved if the employee were to be given a sufficient material quota (rice, sugar, salt, kerosene, salt fish, clothing materials, etc.) with prices as low as possible. Until now, the quota given by the government is not sufficient; the shortage should be bought at the free market. With the guarantee of the government regarding the primary daily need of the employee, the distribution smoothness will exist with the people. But it is known that under present conditions, livelihood will not be perfect. However, it is known that there must be a raise in salary; thus, the amount of the raise should be looked at from the draft economy and financial situation of the government as a whole, with a perspective view from all angles and consequences. For this, there may be some virtue in handing this over to an interdepartmental team of experts to make an intensive survey in draft form, as mentioned before. In truth, the wage increase and the like in the present situation would be just like an effort to patch embroidery, if we are not successful in strengthening our rupiah.

For this, it is very important that an immediate effort in the production, commerce, distribution, monetary, etc. fields be effected. All these may consume a lot of time, but the stomach of the employee will not wait long, and the Government's administration must move very smoothly and quickly.

Because of this, we suggest that the wage problem of the employee be looked over very carefully by a team which can remedy the livelihood difficulties of the employee at the present moment.

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THE INDONESIAN LANGUAGE AND MANIPOL

[Following is the translation of an article by Amin Singgih in Siasat Baru (New Policy), Vol XVI, No 705, 4 January 1961, pages 3-5.]

Recently much has been written in newspapers and magazines about the Indonesian Language, to the effect that the Indonesian Language has not been getting its due attention by our high school and university students, among others. According to Mr. A. M. Almatsier (Siasat Baru, No 694), there are many teachers of the English Language "who are well acquainted with the foreign language with all its complexities, while their knowledge of their own language is very meager". Quite a few of the university professors sadly state that their students' capacity in comprehending the lectures delivered in Indonesian and their capacity to express their ideas through the medium of their own language, are often very disappointing.

Meanwhile, Professor Slametmuljana, Ph.D., in his book Kaidah Bahasa Indonesia (Rules of the Indonesian Language), Vol I, stated that "the usage of Indonesian is still disorderly, and does not follow any definite structure. It can be said that we still have to base the interpretation of an idea in a sentence largely on its lexical meaning rather than its syntax, as if the string of words are the only elements that make up a language, without due regards to their structure. This is not true, for language requires a certain definite pattern. The presence of "discipline" ("definite pattern") in a language shows the presence of disciplined thinking. The emergence of a definite structure in a language should occur together with the emergence of the consciousness or desire in the society to have a language with a definite structure in order that the society could express its specific thoughts, and not have anymore isolated individual ideas of meaning in the language. The "as-long-as-other-people-know-what-I-mean, otherwise-they-should-ask" attitude will result in the emergence of a language for an individual instead of a language for a society."

From the views expressed above, it should be clear that the Indonesian language should not be a language of the individual, or a language of a section of the people, rather it should be a language for the entire people, the Indonesian public. Further, the above article is written with the conviction that the Indonesian language does already have definite rules and structure.

This is what I always bring forward, also in the magazine, that people who think that the Indonesian language is, as it should be, a combination of several regional languages presently spoken in Indonesia, and that the Indonesian language is not yet guided by definite rules, are wrong.

The Indonesian language does not only have a social function as a means of communication but, even more important, it also functions as a moral support and as a stimulant to promote unity among the people.

Because the growth of our language and the opinion of some people about the Indonesian language do not correspond with the standards expected by the people as professed in the Youths' Pledge of 28 October 1928, and because the language has been neglected from the beginning of Independence, it is therefore only proper that we "Manipol"-ize [Manipol = President Soekarno's "Political Manifesto"] the language.

The spirit of the Revolution or Constitution of 1945 confirmed the presence of Indonesian unity. Therefore, the Indonesian language, being the only official language of our state, as a language of the people, must be of a unifying character...[words omitted in the original.]

Let us not be too hasty in saying that the Indonesian language is presently good enough and sufficiently developed throughout Indonesia, and that it is a catalyst in creating Indonesian unity. The Indonesian language should be a language for Indonesian society; it should not be a language for a section of the people or a language for the individual. The pronunciation, accent, intonation, usage of words, expression and grammar should all be uniform and must not have in them any sectional or regional character. The presence of a sectional element in it would give rise to sectional feeling or sympathy which would automatically hurt or lessen the feeling of unity. On the other hand, a single united language for all the people throughout Indonesia would strengthen the feeling of unity and would automatically remove the sectional or regional feeling.

Therefore, correct and change your pronunciation. Say "datang" instead of "dateng", "akan" instead of "aken", "kalau" instead of "kalo" or "kaluk", "tengah" instead of "tngah", "karena" instead of "karna", "ibu" instead of "ib", "ada" instead of "ad", and so on, because it is more common for people to say "datang", "akan", "kalan", "tengah", "kareng", "ibu", "ada", etc.

Give it the proper intonation. Do not give it the Sundanese, Javanese, Ambonese or Batak intonation.

Use the words common throughout Indonesia. Do not use, for instance, the Javanese word "rampung" for "selesai (completed)", the Javanese word "mesam" for "tersenyum (smile)", the Javanese word "meram" for "memedjamkan mata (to close one's eyes)", the Minahasa words "kuntji reken" for "walhasil (with the result that)", the Celebes word "tepergantung" for "tergantung pada (depends on)", the Javanese word "ditanggulangi" for "ditjegah (prevented)", the Balinese words "memberi minta" for "memberi dengan tjuma² (given free)", and so on. Those Javanese, Minahasa and Balinese words are not yet considered common words for the Indonesian language and so we will still regard them as words of the regional language.

Once again, let us inject the spirit of 1945 or the spirit of our Constitution into the Indonesian language: let us make it the language of the people, a language which is spoken and understood throughout Indonesia; the one language of the Republic of Indonesia.

There will be sacrifices, of course. For instance, a sacrifice of feelings or sentiments. There is no unity without the sacrifice of (group or regional) identity, but remember when we pledged the unity of Indonesia, we had sworn willingly that we would sacrifice our regional or sectional identity.

The concept of "guided democracy" is fittingly exercised in shaping our language. True, a language is not made by a few people or a few scholars. Language is made by society. Certainly, the same is true for the Indonesian language. The decision should come from the entire Indonesian people and not from only a section of the people. But the research involved before any decision can be made is not easy. It cannot be done by just any person. Therefore, we need guidance. Fortunately, our country does already have a board that is authorized and competent to offer such guidance. This board is called the Institute of the Indonesian Language and Literature. However, we must obey the decisions and submit to the guidance of this Institute of ours. Yes, we need discipline and guidance in shaping our language: society makes a language, but because the Indonesian society is so diverse, and because there can only be one language for all, it is therefore of paramount importance that there be guidance in deciding the kind of language we want, and that the decision should be taken in a democratic manner. This is possible only through guided democracy.

Finally if we use the proper Indonesian language as much as possible, we will realize and be convinced that our Language is just as good as, for instance; the Dutch, English, or German languages. Remember, that for centuries these languages had been well preserved and used in the sciences, while it is only recently that the Indonesian language is used as a cultural language.

If we master the Indonesian language we will deeply realize that the Indonesian word "pernyataan" is just as good as the English word "statement," that "pusat latihan" is as good as "training center", that "latar" is as good as "background," that "rantjangan" is as good as "draft," that "rentjana" is as good as "planning," and so on.

We will truly be proud and convinced that our language is just as good as any other language of the world and as a result we will rediscover our national identity.

That is why it is most important that we "Manipol"-ize or incorporate the Indonesian Language into our new policy, the USDEK, the sooner the better.

The Indonesian language should be established as a well-organized cultural and scientific language as soon as possible.

The Indonesian language should be used as the one language of Indonesian society as soon as possible.

Indonesian society should be made to realize as soon as possible, and they should be convinced as soon as possible, that the Indonesian language will strengthen the national identity.

PROCEDURES FOR OBTAINING CHINESE CITIZENSHIP OUTLINED

[Following is a translation of an unsigned article in Merhaen, Makassar, 8 March 1961, page 1.]

Makassar, 8 March (Marhaen). According to an informed source, the consulate of the People's Republic of China in Makassar has begun to put into effect methods for executing a treaty dealing with the question of dual citizenship between the Government of the Republic of Indonesia and the Government of the People's Republic of China. Opportunities are available for individuals who are now simultaneously citizens of the Indonesian Republic and of the People's Republic of China, to choose to become citizens of the People's Republic of China if they so desire.

As is known, the provisions concerning the procedure for stating an intention to become a citizen of the People's Republic of China specify that individuals stating such an intention must fill out the Form of Declaration of Intent to Elect Citizenship in the People's Republic of China. This form is completed in triplicate and accompanied by three photographs of the applicant. Individuals making such declarations may personally apply at the office concerned with declarations of intent in order to arrange the procedure for making the declaration. They may follow the procedure for making the declaration of intent. They may also arrange for the declaration through the mail. In following the above procedure, the individual who states his intention may also be permitted to receive aid from local social organizations. For persons declaring their intent orally, in the event that they have difficulty in filling out the declaration form, aid in completing such forms is available from the office concerned with declarations of intent. If that office considers it necessary, they may ask persons stating their intention to submit proof that they have dual citizenship status.

The procedure further permits a person under legal age holding dual citizenship not to follow the form for declaring his or her intent as an individual; his name may be included in his father's declaration form. If he has no legal connection with his father, or if his father died without electing a citizenship, or if the father's citizenship is not known, the names of such an underage person can be entered on the mother's declaration form.

It should also be pointed out that individuals declaring their intent in the process of choosing citizenship are not charged costs. As indicated above, the consulate of the People's Republic of China in Makassar has begun to work out the procedure for declaring an intent of choosing citizenship in the People's Republic of China.

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IV. SCIENCE-TECHNOLOGY

THE INDONESIAN ATOMIC ENERGY INSTITUTE

[Following is a translation of an unsigned article in Madjalah Administrasi Negara, Djakarta Volume II, number 10, October 1960, pages 333-335.]

Introduction

The story of atomic energy began for the world in 1945 with the explosion of the atomic bomb over Hiroshima and Nagasaki. It is a history full of horror and dread, of one of mankind's scientific discoveries which was not made until 1945. Since then atomic energy has been considered the world's most potent instrument of killing and destroying. Atomic energy has since this date been identified with instruments of destruction and annihilation.

Actually, however atomic energy can be used for peaceful aims and endeavors, to solve problems of development and to serve the interests and welfare of human beings. Attention to these peaceful uses has grown increasingly; now it has assumed such proportions that it reaches into several most important fields of human life. Industry can use it to improve production technology and to test results. In the field of medicine it may be used for diagnostic and therapeutic purposes and in key research. In agriculture, atomic energy can be used for experiments, for developing various new vegetables, for controlling experiments with radiation indicated that potatoes, meat, rice, etc., could be preserved far longer than usual.

Our country, still young, clearly did not want to be left behind in this activity, and at the end of 1954 an Atomic Energy Committee was formed in Indonesia. Its official title is The National Committee for Research on Radioactivity. This committee was formed by Presidential Decree No. 230 of 1954, which the Ministers of Education and Health also signed. The Committee consists of 11 members of several ministries, headed by Professor G. A. Siwabessy of the Ministry of Health. It is the duty of the Committee, among other things, to measure radioactivity and to give information to the people. Not only must the Committee warn them of the dangers of radioactivity, especially of atomic experiments in the Pacific, but it must also deal with the peaceful utilization of the atom and arrange for scientific research on atomic energy.

This committee is only advisory and has no executive function. And viewed from the financial viewpoint, the Committee cannot possibly carry out its task as it should. It even lacks a staff to which duties could be assigned, and it has no executive power to fulfill these duties.

A. The Council and the Atomic Energy Institute.

In this connection, an effort was made to set up a body enjoying legal status which could better assure the realization of the development of atomic energy. Government Ordinance No. 65 of 1958 established an Atomic Energy Council and an Atomic Energy Institute.

The Atomic Energy Council was charged with advising the Council of Ministers in political matters connected with the development of atomic energy both in Indonesia and throughout the world. This Council is chaired by the First Minister and includes seven other ministers. The Minister of Development serves as deputy chairman. The other ministers are the Ministers of Security, of Foreign Affairs, of Finance, of Agriculture, of Health and of Education. These ministers held their first session on 28 December 1959 in Pedjambon, Djakarta. For its part, the Atomic Energy Institute has been entrusted with the task of initiating, regulating and supervising research, and the utilization of atomic energy in Indonesia. The Council and the Institute are the nucleus of a national atomic energy organization which each country requires. Their duty is to lay the groundwork and take the initiative to the end that our country may enjoy the greatest possible advantages from the peaceful uses of atomic energy. With the formation of the two bodies as the advisory and executive organ respectively, the Republic of Indonesia has taken another step toward realizing its program in the field of the utilization of atomic energy.

B. The Organic Structure of the Atomic Energy Institute

The organization of the Institute consists of seven divisions:
1) Atomic Energy Materials Division, 2) Reactor Division, 3) Isotope and Laboratory Division, 4) Safety and Welfare Control Division, 5) Public Affairs Division, 6) Legal Division, and 7) Administrative Division.

1) The Materials Division is responsible for meeting Indonesia's needs for the raw materials necessary for atomic energy, such as uranium, thorium, beryllium, inconnium, etc. by coordinating activities in research on radioactivity among the organizations working in this field.

2) The Reactor Division studies the possibilities of using atomic energy as a source of electric power, for which purpose the materials to be studied will be obtained from research reactors which will be set up shortly.

3) The Isotope and Laboratory Division investigates the use of radio isotopes in the fields of health, agriculture, industry, etc., records explosions of atomic and nuclear bombs, operates the Calibration Laboratory, The electronics laboratory, etc.

4) The Safety and Welfare Control Division cooperates with government agencies, exercises general supervision, and sees to the workers' welfare in all government offices and other enterprises in Indonesia which do work in the field of atomic energy.

5) The Public Affairs Division oversees liaison with government offices, international organizations and private bodies in the field of atomic energy, disseminates scientific and technical information, and studies the significance of atomic energy for economics, politics, etc.

6) The Legal Division advises the Director General on legal problems, draws up regulations for approval, and directives for the use of atomic energy.

7) The Administrative Division is charged with the task of administering the program.

This institute is headed by Prof. G. A. Siwabessy. With the formation of the Council and the Institute, the Committee was automatically dissolved.

C. The First Plan

In accordance with the aim of peaceful utilization of atomic energy, the Atomic Energy Institute gives priority to working for the establishment of:

I. The Center for Radioactive Research and Isotope Distribution in Pasar Minggu, Djakarta. Experiments will be carried out in this laboratory in the fields of biology, medicine, agriculture, and industry. This project is to be undertaken jointly with the Radiological Institute, and its execution has been entrusted to the above institute. The cost of the project is about 50,000,000 rupiahs and \$200,000, and is being carried out with I.C.A. aid.

II. The establishment of an I.R.T. 1000 reactor in Djakarta at a cost of \$2,000,000 and 200,000,000 rupiahs. This reactor was given us by the Soviet Union.

III. The establishment of a Mark II Triga experimental reactor at the Technological Institute of Bandung at a cost of \$750,000 and 13,000,000 rupiahs, with U.S. aid.

IV. The extension of aid to the University of Gadjah Mada for its work in the field of atomic energy, which includes light water moderated Subcritical Assembly, at a cost of \$200,000. This will be located in Djokjakarta.

D. Foreign Connections

1. Indonesia and the International Atomic Energy Agency (I.A.E.A).

As is known, this is international organization, which is located in Vienna, Austria, has special tasks in the field of the utilization of atomic energy for peaceful purposes.

The special task of this international organization is to popularize the uses of atomic energy for peaceful ends, and the serving of human interests generally. Since the aims of this body are in accord with Indonesian policy vis-a-vis atomic energy, Indonesia has from its inception taken an active role in the Committee for Preparation which was to set up this international body. The establishment was made official in Vienna in October 1957.

To achieve its purposes, the IAEA has given technical assistance in the form of atomic energy experts and material, especially to countries which are less advanced in the field of atomic energy, including Indonesia. It has also granted scholarships to specialists from such countries so they may receive special training in the field of the peaceful uses of atomic energy. In addition, the IAEA has also held pertinent conferences or symposia which are attended by all member states.

So far, Indonesia has received aid in the form of more than 50 scholarships. Furthermore, in its meeting in June 1957, the Board of Governors of the IAEA granted \$110,000 US dollars worth of technical assistance to Indonesia in the form of specialists and material.

This aid extends for about three years, and has already begun to be used.

2. Other Organizations

The Atomic Energy Institute has connections with other organizations and bodies abroad which are active in the area of the peaceful applications of atomic energy.

We regularly receive publications from all of these organizations discussing their activities. The Institute has also received from these organizations in various countries codes and regulations dealing with atomic energy. These are most important to us as models for study and utilization inasmuch as we are preparing a body of regulations dealing with atomic energy in Indonesia.

E. Methods of Implementing the Atomic Program

In our efforts towards implementing the Government of the Indonesian Republic's program in the atomic field, our Institute is faced with the fact that our country is still young and has not acquired much experience in these areas. Therefore in order to remedy the deficiencies in personnel and material we are receiving help of a technical nature from abroad, from the IAEA or via bilateral agreements, e.g., with the United States and the Soviet Union, as cited above.

Furthermore, we are striving to reach a stage where Indonesia no longer needs foreign aid. Indonesian personnel are sent abroad to receive special training in the area of atomic energy. This program is effected through scholarships from the Government of the Republic of Indonesia itself, or from the IAEA, ICA, Colombo Plan and from other countries.

In this way it will surely not be long before our country can herself fulfill her needs for technical personnel and material.

F. Appeal to the Public

The people of Indonesia in general are charged with the responsibility of comprehending the significance of atomic energy, and the fact that such energy is not restricted solely to the manufacture of weapons of death and destruction. It is, of course, regretful that some individuals still think along these lines.

However, we as a peace-loving people must emphasize the utilization of atomic energy for peaceful purposes, in the service of all mankind.

In addition, atomic energy can, as we know, constitute a source of electric power. Several countries, (such as England) because of insufficient resources in conventional fuels (coal, oil), must turn their attention to the question of obtaining electric power from atomic energy.

Indonesia, whose earth is rich in these conventional fuels, need not occupy herself with this question for the time being (about 30 years). However, there are some who believe that within 15 or 20 years science and technology will have made such progress that electric power can be produced from atomic energy far more cheaply than by ordinary methods. If these calculations are correct, the world will have entered a new era of technology in which atomic energy is a most important source of power for mankind.

When this time comes, all the world, including Indonesia which is so rich in conventional fuels, cannot help but use atomic energy.

Hence the Indonesian people should be awakened to the realization of these possibilities. We look forward to a period of consciousness of the future importance of atomic energy, in which realization of the significance of such future energy is common to all our people so that we shall not be left behind other countries.

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V. MILITARY

SPEECH BY AIR CHIEF SURYADARMA ON OTTER DAY

[Following is the translation of a speech by Air Chief Suryadarma in Angkasa (Sky), Vol XI, No 12, December 1960, pages 482, 483, 512.]

Ladies and Gentlemen,
Freedom!

Today we are busy talking about "Manipol" [President Sukarno's Political Manifesto] and its execution. Embodied in "Manipol" is the essence of our goal, which is to develop the state and to reinforce the spirit of mutual cooperation (Gotong Rojong), and today we in Bandjarmasin are witnessing one phase in the careful implementation of the mutual cooperation and have completed one phase that can be utilized as a stepping stone to further accomplishments. We in Kalimantan [Borneo] have shown mutual cooperation in action, when the people, the Regional Civil and Military Administrators, the Central Government through its AURI (Indonesian Air Force) and its commandant, Major Yusran, combine in mutual cooperation. Major Yusran is presently the Operations Officer for Kalimantan. He is assisted by the local Civil Aviation which as of today, will be expanded by further additions from the Central Civil Aviation. These additions are effected to raise mutual cooperation to its full strength. We should be proud of what we have done here, because it is actually an achievement of some part of our objective which will determine the course to be taken by our State in the pursuit of our ideals, because mutual cooperation is the foundation to further endeavors.

The project in Kalimantan should be regarded by other regions as a pilot project. Other regions are beginning to be envious. My staff and I have been accused of favoritism. This is not true. Kalimantan was chosen because here we discovered the elements that we told you about a couple of years ago. These elements are the spirit of mutual cooperation and the urge to push ahead with unrelenting vigor. So, in the event there should arise any misunderstanding among the other regions, I wish to remind you, that mutual cooperation is strictly a non-profit undertaking. At this stage of the game each and everyone of us simply works to the bone to get what we are after. With regards to this project, which we have named the pilot project and which we hope in due time will spread to other parts of the country, permit me to go into it further in order that you may have a clearer picture of its historical background. This flashback

is necessary. As you all know, we were dealing with various areas of Kalimantan, one different from the other, each with various problems peculiar in its own way and complications which are sometimes unusual. The idea of opening an inter-regional communication, or local flight, or feederline actually started 20 years ago, when we were here on a one-year stay. I saw that the best way was by air. There was here an obstacle unmatched throughout Indonesia. We managed to discuss this idea with Mr. Tjilik Ruwit during the revolutionary years of 1946-1947. At that time, Mr. Tjilik Ruwit together with us, was assigned to carry out a special operation on Kalimantan, as part of a series in the program of our national struggle. Following that discussion, the idea became more concrete when in the MUNAB, which is the Musjawarah Pembangunan Nasional (National Development Council), it materialized in the form of a few comprehensive decisions. Then the matter was discussed with some members of the local authorities among whom was Mr. Milono, the former governor, who was well known in Kalimantan, and Mr. Koesno, a military official. Mr. Koesno has left Kalimantan but, just the same, his name should be mentioned because his presence indicated that two agencies of the Government, military and civil, which with the other government authorities also showed their interest and gave their moral support. And then, on 27 November 1958 we began to launch an experiment, after a few preliminary tasks had been completed cooperatively in the mutual cooperation manner. Pardon me, ladies and gentlemen, I have forgotten to mention one other phase: After the discussion in MUNAB, the AURI itself began its reconnaissance flights and aerial survey. Ground survey was also conducted to locate areas that could be used for aircraft landings. It was at these places that we received assistance from the agencies mentioned earlier. After a few airfields had been opened on 27 November 1958 more experiments were made, which at first was headed by Premier and Defense Minister Djuanda. Today, 27 November 1960, we are yet in another new phase of development. During those two years we completed several experiments which are of practical value, except for the two bases of Long Awan and Long Pahat.

Ladies and gentlemen, I have heard many complaints as to why this route was not scheduled, why more places were not included in the program, and so on. But let me remind you about the statement made earlier that this is an experiment, a forerunner, an experiment on just one stage of the program, which cannot be said to be decisive. In the phase which we completed in the past two years, we were able only to achieve non-scheduled flight service, but we gained experience in several aspects of the fields of military strategy and political psychology. What is completely lacking is its effect on social economy and we will pay particular on this aspect when we launch our next experiment with the assistance of Civil Aviation.

Secondly, we have been able to cut the travel time greatly compared to what it used to be. Unlike the people in Bandjarmasin, those in other areas who do not enjoy this service probably would not realize the benefits derived from it. To show how much time we have saved,

let us make a few comparisons, such as the following: Forgive me for boring you with a few statistics, but it is necessary in order to show you some of our successes in reducing travel time. For instance:

The trip from Bandjarmasin to Palangka Raja that used to take 2 days (48 hours), now is reduced to only $3\frac{3}{4}$ of an hour by OTTER.

From Bandjarmasin to Muaratewe formerly took 2 weeks (336 hours); now it is reduced to 1 hour 25 minutes by OTTER.

From Pontianak to Putussibau, a 2-week (336 hours) trip, is now reduced to 2 hours 8 minutes.

It used to take $2\frac{1}{2}$ days (60 hours) from Balikpapan to Longiram; now it is only $1\frac{1}{4}$ hours.

The trip from Balikpapan to Long Awan used to take 3 months (2160 hours); now it can be done, if things go well, in a matter of $2\frac{1}{4}$ hours.

I have made a note here, that ever since 1951 these areas are served by AURI aircraft. If this service (OTTER) is already scheduled, then the AURI services will not be needed any more. From Tarakan to Long Awan will be one-half hour at the most, if there are any cargoes; so what used to be 360 hours can be reduced to more-or-less one hour.

Ladies and gentlemen, these are a few examples for you who live in Bandjarmasin and who enjoy the services.

The people in Java do not realize what it means to have these services, because they have the benefit of all kinds of transportation -- the railroads, buses, etc. -- so that airplanes are secondary to them. But for you who live in this area, the accomplishments that I just described are really no small changes.

Thirdly, what I described earlier was an impact, the result of an economic policy, at this time when we are carrying out a nationwide construction and spreading the idea and important elements of "Manipol." And it is very important that we have good, fast and continuous communication with all the remote places in Kalimantan.

Other than the accomplishments I told you about, we must not forget some of the sacrifices that were made to achieve this phase. Firstly, through the mutual cooperation effort from the people, we were successful in constructing airstrips at Palangka Raja, Pangkalan Bun, Muaratewe, Kuala Kurun, Ketapang, Sintang, Putussibau, Melak, Tandjungredep, Long Bawan, and Kota Baru. Besides these, a few landing sites on lakes or by rivers have been completed -- at Sampit, Kota Baru, Tanah Crogot, Samarinda, Nunukan, Malinau, Sangau, and Pulau Mandjang. Ladies and gentlemen, in addition to this mutual cooperation help from the public, there were donations from the officials amounting to 950,000 rupiah; 100,000 rupiah from KOANDA (Army Command) in Kalimantan, 100,000 rupiah from the Governor of Kalimantan, 100,000 rupiah from the Governor of East Kalimantan, 50,000 rupiah from the Governor of Central Kalimantan, 250,000 rupiah by five districts which contributed to the building of a hangar at the Ulin airfield by Government Coordinator in Kalimantan, ex-Governor Milono, and 250,000 rupiah from the Governor of South Kalimantan; also, 100,000 rupiah from the Commander of the XIIth Military District at Tandjungpura. All

this totalled 950,000 rupiah. The contributions from the central Government, through the initiative of AURI, are: 1) the loss of one OTTER aircraft which burned completely during the experimental phase of this project; this aircraft cost more than 4 million rupiah. 2) The experiments that were carried out, including survey, landing experiments, etc. during the two years by OTTER, Cessna, and B-25 aircrafts at a cost of 4,180,545 rupiah. 3) The man-power utilized in the form of pilots, technicians, etc., at a cost of about 385,000 rupiah. The grand total is 9½ million rupiah, and in currency, about 10½ million including contributions from the people.

I intentionally bore you with these figures because I wish to stress the most important element in this project, that is, mutual cooperation. Truly, we managed to enter into this phase of the plan because of the 10½ million rupiahs and the help from the people. But what will happen after this. We are referring to the present time. It is very important that we have a scheduled airline or a well-organized and safe inter-regional traffic with adequate frequency of service, first in the interest of social economy in our nation-wide development program. This service will be carried out under the joint supervision of civil aviation and AURI. Second from the point of view of political psychology, the spreading of the spirit of "Manipol" will be made much easier if we have proper communications with the central government. Here we see the close relationship between the people and AURI, which is important from the standpoint of Military strategy. This is the reason why AURI is pioneering this project. I wish to interrupt here for a while to explain the relationship between this concept and the two aircrafts that are here today, that is, the Hercules and the OTTER. I would refer to them as brothers, the Hercules being the older brother. With the Hercules aircraft, we from the military will be able to transport from Djakarta to Bandjarmasin in a matter of about 1½ hours, a force consisting of more than 100 men or important materials for the military commands, etc. But how shall we carry these men or materials further into the interior? I had already described the situation in former times which was very simple. With the presence of the younger brother, the OTTER, further connections into the interior would not be a problem. The situation is similar to that which exists in the city, where we have the bus and the "betjak" [tricycle used as a taxi]. This Airline will serve as a reserve for the Air Force just as the Garuda Indonesian Airways, in time of emergency or war, serves as a reserve for the Air Force in compliance with the framework of our national strength in the air or to use a foreign word -- national airpower.

I would like to tell you of our history and our aim, but first let me remind you of the saying that Rome was not built in a day and, in the same vein, I would like to inform you that there are a few elements, or difficulties, that at the present slow down our progress and constitute an obstacle. But on the other hand, they serve as a stimulus for us to push ahead together in the mutual cooperation manner to overcome the obstacle. First, ladies and gentlemen, inadequate facilities. The airfields need some improvement. Fueling facilities still need to be improved. Even

more important are the facilities for navigation. By navigation facilities I mean the idea of safety -- safety in landing. We experienced it ourselves yesterday, when some aircraft flew around in circles, unable to land because of poor visibility. That was because our navigational facilities were not as complete as they should be. This would be even worse if this situation occurred somewhere in the interior of Kalimantan. This is an indispensable condition and should be improved through the cooperation between the Air Force and the Civil Aviation. To show you the importance of navigation, let us take as an example the Bandjarmasin-Balikpapan run. This route is safe, because we have complete navigational facilities on this line; but take the routes from these places to other points, to Palangka Raja for instance. It is still unsafe because of inadequate navigational facilities. Our biggest handicap, ladies and gentlemen, is maintenance. In Kalimantan, we do not have facilities for maintenance. In Java, only AURI has these facilities, but AURI has too much on its shoulders already. Most of the resources that we have are mainly concerned with flying, and because flying is very closely related with aircraft maintenance, obviously flying hours would be limited if maintenance facilities are limited. So, in Kalimantan too, our flying hours are limited. At the present time, all aircraft that are due for maintenance have to be flown to Java for such services. This means we lose that many flying hours for Kalimantan. Consequently, our efficiency is affected. Therefore, ladies and gentlemen, if in our next phase there is some reduction in the flight service for the Kalimantan regions, please understand that it takes time, at least 2-3 years before we could completely remove all the obstacles. Right now the AURI, in conjunction with the Civil Aviation, are especially concerned with this aspect of the problem. Accommodations in Kalimantan pose another problem, and both the AURI and the Civil Aviation are working hand-in-hand towards its solution. I do not want to bring up again the difficulties encountered by the AURI personnel here, but I do want the local authorities to extend their consideration in this matter of accommodations, for it may affect the smooth, continuous running of the operation. The AURI would like to be assured of this. And last but not least, ladies and gentlemen, the biggest problem, particularly for the AURI, is finances.

There is word that there will be a cut in the Air Force budget. Therefore, we can no longer afford to contribute or to give you the kind of aid that was extended to you in the past. So cooperatively we will work towards turning this service into a semi-commercial one. However, to finance this service further, we have made certain specific regulations. Another problem that has yet to be solved is -- where are we going to get the foreign exchange needed to accomplish our objective? I hope that the regional official by this time realize the connection between foreign exchange and the purchase of aircraft parts and accessories and, further, the connection between foreign exchange and the continuance of the OTTER service in this region, so that they would make every effort to take this matter up with the Central Government directly without first taking votes.

Ladies and gentlemen, our successes so far have been largely due to the spirit of mutual cooperation. We cannot say that they are complete successes because as I had mentioned earlier, there are still quite a number of obstacles that have yet to be removed. However, we have proven that the Pilot Project can be carried out. This project grew from a mere idea. Within ten years, to be more specific, ever since the recognition of our sovereignty, we have proven that we have learned a lot. Formerly nobody thought of opening a service such as this one, because nobody was concerned with the welfare or the interests of the people. Whatever was done was in the interest of the colonialists or for commercial interests. But now we will continue to carry out cooperatively this project in the interests of the people in accordance with the ideals outlined in "Manipol". I want to ask you once again not to leave everything to the AURI. Major Yusran is not a magician. He needs all the help and support you can give him, so that by next year we can hope to achieve the last and final stage of this project. Then we can hand over the supervision of this service to the Civil Aviation, with only some occasional control by the Air Force, which is necessary because of its importance as a reserve. Ladies and gentlemen, on behalf of the Government and AURI, I want to thank you again for this opportunity and for all your support in making this show possible. With the spirit of 1945, in accordance with the appeal of His Excellency the President/Commander-in-Chief, and in keeping with the spirit which we hope to achieve through "Manipol" and USDEK, may God the Almighty protect us in our effort to achieve our goal.

That is all, and once again I say to you, Let us together in the gotong-rojong way, strive to complete this program for Kalimantan and we, from the Air Force, will later use your effort here as a sample for the entire Indonesia.

Thank you, Freedom!

INDONESIAN NAVY BELOW MINIMUM STRENGTH REQUIRED

[Following is an unsigned article in the newspaper
Suluh Indonesia, Djakarta, 20 February 1961, page 1.]

Jogjakarta, 19 February, (PIA). - Minister and Naval Chief of Staff Martadinata declared in Jogjakarta on Tuesday evening that the Navy in its overall development program must create an organization which reaches a minimum strength. Present naval strength is far below the desired minimum.

The Minister and Naval Chief of Staff stated that a minimum of about 50,000 men would not be too high a figure for the navy, since the essential point is not the number of men but rather the value of this number and the quality of the personnel.

The Minister made this statement at a reception which concluded the Technical Personnel Recruitment Drive held under the joint auspices of the Navy and the University of Gadjah Mada in the Jogjakarta state capitol. The drive was held on 13 and 14 February 1961. During this two-day period, the Naval Forces organized lectures, exhibitions, and interviews for exceptional students from the senior class.

Minimum Naval Strength

In regard to minimum naval strength, the Minister declared that their goal was a force sufficient:

1. to guarantee security of navigation throughout the territorial waters of the motherland;
2. to assure regional security of territorial waters and maritime regions;
3. to establish sovereignty throughout Indonesian waters.
4. to be able to render assistance to the ground and air forces in the task of safeguarding the islands.
5. to command the respect of foreign states.

He revealed that the present naval forces numbered 14,000 men, hardly too high a figure. On the contrary, this figure is insufficient in view of the fact that no department has fewer than 100,000 men. Minimum naval strength must be achieved in order to be in a position to give help where it is needed.

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