

ADDENDUM TO THE SUMMARY RECORD OF THE FIFTH PLENARY MEETING

(The following is the text of Dr. Gani's speech,
referred to in document E/CONF.2/SR.5 on page 5)

On behalf of the Government of the Republic of Indonesia, the Indonesian delegation brings greetings to you and also extends its thanks for the invitation to attend this International Trade and Employment Conference. Let me state in the first place that we wholeheartedly welcome the creation of the International Trade Organization. From a general point of view, we are convinced that only through international action and consultation can the purposes and objectives laid down in Chapter I of the trade charter of the ITO be achieved. We particularly welcome the ITO because my country is one which, though rich in resources, has up to now been denied the fruits of a proper and speedy economic development. Though providing great potentialities and possibilities for industrial development, our resources have as yet remained relatively untapped. Article 8 of Chapter III, which deals with the importance of economic development, is in this respect, therefore, not without significance for us.

We also pledge ourselves to adhere to Article 12 of Chapter III of the Draft Charter, in respect of international investment for economic development. What is contained in the paragraphs of the Article just mentioned has, from the very start of our existence as a free country, been one of the guiding principles of my Government in its economic policy. The Governments of the Republic of Indonesia will welcome and encourage, in complete accord with Article 12, foreign investments in all fields, in order to raise the productive capacity of the country. My Government is prepared to give the necessary incentive to foreign economic interests willing to take up economic activities in Indonesia. Such incentives can be given in the form of special Government assistance in accordance with Article 13 - regarding governmental assistance to economic development - and also in the field of taxes, duties, etc. We pledge to bind ourselves by Section A of Chapter IV, dealing with tariffs, preferences, internal taxation, and regulation.

The Republic of Indonesia has never believed in the dishonest practice of unilateral confiscation. It is the firm belief of my Government that, in adhering to the principles enunciated above, we not only serve the interests of our own population, but what is even more important, the large common

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interests of all countries in improving opportunities for employment, by enhancing the productivity of labour, by increasing the demands for goods and services, by contributing to a balanced global economy, by expanding international trade, and by raising the levels of real income as specified in Article 8 and the subsequent articles of Chapter III.

Indonesia is a nation with a great past and a greater future in Southeast Asia; blessed with enormous resources of raw materials and manpower, Indonesia is ready to play a part worthy of its geographic and economic position in the world of today and tomorrow.

The delegation which I have the honour to represent has come here in a spirit of duty to acquaint this Conference - and through this Conference the world at large - with the huge potentialities of my country, whose great wealth of raw materials, agricultural and mineral, has been known to the world for the past thousand years. It is in the spirit of "live and let live" that we have come here to acquaint you with what my country can offer the world and what we expect in return, so that not only peace but material well-being can quickly be realized in Southeast Asia, one of the main trouble spots in the world today.

Perhaps it might be as well if I should outline to this Conference a few facts about Indonesia. The Indonesian Archipelago consists of the Greater Sunda Islands comprising Java, Sumatra, Borneo and Celebes, the Lesser Sunda Islands embracing Bali, Sumbawa, Timor and Moluccas, and one-half of New Guinea. The total land surface comprises an area of two million square kilometres, with an estimated population of 71 millions. The density of population works out to an average of 35 per square kilometre. The last census was taken in 1930, when the total population was returned as nearly 61 millions. At that time the number of Indonesians was a shade over 59 millions; Dutchmen, Eurasians of Dutch descent, and non-Dutch Europeans totalled a quarter million; the Chinese returned the figure of one and a quarter million; while peoples of other Asiatic countries resident in Indonesia accounted for just over a hundred thousand.

Owing to the Pacific War and the difficult conditions in which we have lived after the Japanese surrender we have not been able to take a census. However, basing our estimate on a natural increase of $1\frac{1}{2}$ per cent per annum, we reckon the present population of the Indonesian Archipelago at 71 millions.

I stress this point particularly in connection with the proposed formula outlined in the Appendix to the Draft Charter for determining the number of votes to be allocated to each member, and in this connection I wish to make special reference to Formula A. In Table A, page 66, the Netherlands is stated as representing a population of 80 millions. This figure should be broken down as follows: ten millions in Holland; half a million in Surinam
/and Curacao;

and Curacao; and 71 millions in the Indonesian Archipelago a considerable proportion of which are in the territory of the Republic of Indonesia. In view of these facts, we cannot agree with the statement that the Dutch should be credited with representing 80 million people. The Mohammedans form an overwhelming majority of the population, the minorities being Christians, both Protestants and Catholics, and Buddhistic Hindus. But whatever the religious outlook of any Indonesian may be, he is determined that the country shall be free. The basis of our society from the dawn of history up to now is what is known as "Adat", which is a code of conduct and a pattern of behaviour prescribed by customary, unwritten laws. This, together with religion, has always given our society, a democratic orientation and proved our best guarantee against the emergence of unwelcome political ideologies.

Of this vast population of 71 millions, 85 per cent are peasants. Going by the 1930 census, only 7 out of 100 could read or write. The number of medical doctors in prewar Indonesia to serve a population of nearly 61 millions was only twelve hundred - one doctor to look after the health needs of 60,000 people scattered over an extensive land surface.

A word now about economic conditions in prewar Indonesia. The setting is that of a typical colonial economy, i.e., and export economy. During the twenty years ending 1939, Indonesia exported goods to a total value of 13,000 million dollars. Imports for the same period were 8,000 million dollars, with an export balance of 5,000 million dollars, which works out to an average of 250 million dollars a year. The trade volume for the same twenty years was 30,000 million dollars, equal to an annual volume of 1,500 million dollars. Let me pick one typical year to show you what conditions were like. In 1938 the excess of exports over imports netted 300 million dollars. Of this vast sum of money, only 38 million dollars went to the Indonesian population, which made up 98 per cent of the entire population. The remaining 262 million dollars went to the non-Indonesian population of two per cent. You can gather from this that the living standard of the Indonesians was deplorable and all the more so because Indonesia has been and continues to be a country with immense resources of raw materials.

In 1922 the average Indonesian wage was sixteen cents a day for the single working member of a family of five. This works out at three cents a day per person. By 1933 the average wage of the Indonesian had sunk to five cents a day - one cent per person per day.

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It will be noticed that the national income of the Indonesians showed a steady deterioration over the years. While in 1929 the Indonesian population of 61 millions earned 2,000 million dollars, in 1933 the figure had dropped to 850 million dollars, with a slight rise to 1,000 million dollars in 1937. It must, of course, be borne in mind that with a drop in the income there was a steady increase in population.

One of the consequences of this fall in national income was the reduced purchasing power of Indonesians and increasing illiteracy. In 1928 31 million dollars was spent on education, yet only a fraction of the Indonesian children of school-going age was able to take advantage of the meager facilities available for education.

In 1938, the education budget was cut down to nine million dollars.

For three and a half years the Japanese exploited the Indonesian Archipelago to feed their war machine. Raw products were taken by force or commandeered at nominal prices arbitrarily fixed by the Japanese. The Japanese flooded the country with military script, which was not worth even the paper on which it was printed. As the Japanese also seized crops without providing adequate reserves for the population, Indonesia, always self-sufficient in food, was faced by hunger, four to five million Indonesians fell victims to starvation, while millions of others still bear the scars of undernourishment. You have in Indonesia a country rich in resources but with a pauperized population.

Since the proclamation of the Republic of Indonesia on 17 August 1945, the Republic has been forced to lead a precarious existence in which the supply of even such urgently needed necessities as medicines, drugs, chemicals, textiles, clothing, and transport and communication facilities was interrupted.

Fortunately for us, we have been able to produce enough rice, which is our staple, to feed the population.

While the shortage of food is the main preoccupation in most countries of the world today, we in Indonesia have up to now been getting along fairly well in that respect. Java alone produced four million tons of rice in 1941; there was a drop to 2.8 million tons in 1945; and a further drop to 2.1 million tons in 1946. In 1947, however, there was an appreciable increase to 3.3 million tons. The production of auxiliary foods as maize, tapioca, ground nuts and soya beans is still increasing.

Along with the satisfactory food position there has been sufficient work in the Republic, with only a very few not gainfully employed. Because

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of the type of society in existence, where the family is the unit, religion and customary law make it possible for the unemployed to find food and shelter with their families till they can seek new employment.

Our living standard has been so low that we have practically nothing to lose.

We have endeavoured with the slender means at our command to reconstruct and rehabilitate our country so as to insure to the people what they have been denied through the long centuries of colonial exploitation - a standard of living commensurate with the great wealth of the country.

Political freedom has many aspects, but to us the paramount consideration is a quick heightening of the standard of living of our population. This is a just and reasonable demand because we feel that the richness of the Indonesian soil should be devoted primarily for the humanitarian work of lifting the living standard of our people.

This is one of the aims specifically stated in Chapter I of the Draft Charter of the ITO, which defines its purposes and objectives.

The possession of the power of self-government is in the modern world the most vital instrument in the struggle for economic and cultural progress.

In accordance with Chapter IV, Article 16, paragraph 1, concerning the general most-favoured nation treatment, I would like to state that there should be free access to the material wealth of Indonesia. The Republic of Indonesia will not sponsor monopolies. We are well aware of the possible dangers of restrictive business practices in their effects on international trade.

We further hope that Article 44, Chapter V, referring to general policy regarding restrictive business practices, will be instrumental in promoting direct trade between our country and the outside world.

This is a suitable point at which to tell you what Indonesia needs for her speedy economic reconstruction and trade rehabilitation, remembering all the time that Indonesia has been without any consumer goods for the last six years. Our immediate needs, our vital priorities, are: Textiles, medicines and medical equipment, chemicals, incentive goods, transport and communications utilities, and tools and equipment for agriculture and industry, as well as consumer goods of all kinds and varieties. Nearly two-thirds of the population of Java and quite a goodly portion of the population of Sumatra is today badly clothed as a result of the Japanese occupation and the conditions since prevailing. The Republic of Indonesia has not been able to carry out its reconstruction programme at either the tempo or the extent desirable, because of the shortage of equipment
/and goods.

and goods. Be that as it may, with the primitive means we have at our command, we have gone on with our reconstructive work in the fields of education, public works, agriculture, and health. In the great task which lies ahead of us, we look to nations and peoples of good will to give us a helping hand with technicians as well as the tools of reconstruction. With the manpower and resources which we are fortunate to possess, we shall be able to return to the world at no distant date the fruit of your assistance to us.

It is in this spirit that my delegation has been sent to this Conference by the Government of the Republic of Indonesia. The Republic pledges its full support to the International Trade and Employment Organization. The Republic can deliver direct to all who may need the surplus products of Indonesia, and we can right now export in big quantity to the international market. And the Republic agrees to take in increasing volume the goods which you can manufacture, and to take them without imposing unreasonable tariffs or export or import duties. We seek world trade, we seek the products of the industrialized countries.

Any decisions we arrive at here should be on the basis of moral worth, fair chance, and fair play. We have come here to achieve concrete results, not rigid formulas or outmoded practices, because it is vitally important that we should change the international economic aspect in the right direction for the benefit of all mankind. The Republic of Indonesia is prepared to accept whatever is just and reasonable, and we look forward to your co-operation and guidance in the achievement of our aims.

Mr. President and Gentlemen, I thank you.
