

ACTION COPY

PERMANENT RECORD COPY

INCOMING AIRGRAM

Department of State

29  
Action

E-8

UNCLASSIFIED

461-9841/3-2762

1962 MAR 30 PM 4 00

Date Sent: March 27, 1962

RM/R ANALYSIS & DISTRIBUTION  
BRANCH

REF-1  
RMR-2 TO: Secstate WASHINGTON  
FE-4 NO: A-440  
EWR-8  
INR-3 REF: Dept Airgram CA-2088

PAGE 1 OF 1 PAGES

AID-20 SUBJECT: Extension of Most-Favored-Nation Treatment to the Soviet Union

COM-6  
TAF-2  
TR-2  
FRB-3  
CIA-16  
NSA-3

The Department of Trade states that the GOI grants most-favored-nation tariff treatment to the Soviet Union.

APR 2 MESSAGE CENTER  
CONTROL  
1962  
IN CUT

JONES

JAVanSwearingen: amc  
3/26/62

APR 4 1962 PM 4 00  
FILED

- This copy must be returned to RM/R central files with notation of action taken. REPRODUCTION FROM THIS COPY IS PROHIBITED UNLESS CLASSIFIED

ACTION	UNCLASSIFIED			
ASSIGNED TO:	TAKEN	Name		
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R		
M. W. WYMAN (CPT)		4/2/62	File	

ORIGIN/ACTION

DEPARTMENT OF STATE

**AIRGRAM**

461-984/10.1162

FOR RM USE ONLY

RM/R 2	REP 1	AF
ARA 5	EUR 5	FE
NEA 5	CU	INR
E 4	P	IO
L 2	FBO	AID 11
AGR 10	COM 10	FRB 3
INT 7	LAB 6	TAR 2
TR 2	XMB	AIR
ARMY 5	CIA 16	NAVY 5
OSD 12	USIA	NSA 3

A-337

OFFICIAL USE ONLY

NO.

TO :

DEPARTMENT OF STATE

Soviet  
Analysis & Distribution Branch  
Section Tekan  
dated1962 OCT 16 AM 11 09  
HANLING INDICATORANALYSIS & DISTRIBUTION  
RM/AN  
BRANCH

JFM

FROM :

Amembassy DJAKARTA

DATE: October 11, 1962

SUBJECT :

Trade - Indonesia Signs Contract for Soviet Textiles

REF :

CERP D-11, 13

10/17 SPA/E

File

2061 U.S.  
U.S.

(BEGIN UNCLASSIFIED) The General Management Board of the Indonesian State Trading Companies (BPU) signed an agreement with a trade representative of the USSR on September 24 providing for the importation of 45 million yards of Soviet cotton textiles. According to press reports, the textiles are to be delivered within the next two months and are to be distributed within the framework of the Indonesian Government's program to stabilize the prices of food and clothing. Actual implementation of the transaction will reportedly be carried out by the USSR organization V. O. Exportation and by the Indonesian state trading companies, Djaya Bhakti and Budi Bhakti. (END UNCLASSIFIED)

(BEGIN OFFICIAL USE ONLY) According to the Trade Section of the Indonesian Foreign Office, this agreement is the result of the Indonesia-USSR trade protocol signed in 1961 covering 1962 commercial relations between the two countries. In the protocol, the Soviet Union contracted to buy specified quantities of Indonesian agricultural products in return for the Indonesian importation of Russian goods of approximately equal value (see Emb. Despatch 737, May 7, 1962). A Foreign Office official stated that, while the USSR has fulfilled its end of the bargain, Indonesia has been unable to import the quantity of Soviet goods agreed to, with the exception of the cotton textiles, because of its acute shortage of foreign exchange.

The protocol reportedly mentions only volume of goods and commodities, leaving the purchase prices of all items to be determined by separate negotiations. GOI officials have stated

OCT 19 1962

M

OFFICIAL USE ONLY

FOR DEPT. USE ONLY  
 In     Out

FORM DS-323

10/17

Drafted by: ECON:SFHart:brs October 10, 1962

Contents and Classification Approved by:

PELVIS

Clearances:

OFFICIAL USE ONLY

Page 2 of Airgram No. A-337 dated 11 Oct 62 from Djakarta

that ordinarily prices correspond closely to those prevailing on the world market. The estimated value of the 45 million yards of cotton textiles is U.S. \$22.5 - 30.0 million. In addition to prices, agreement on interest rates and repayment terms also must be arrived at in future negotiations. Under the terms of the protocol, however, Indonesia will receive a one-year deferment of payments for the textile purchase.

COMMENT: This type of hazy agreement has become increasingly common between the GOI and its trading partners. The Soviet shipment constitutes approximately 30 percent by value of Indonesia's current annual textile import requirement. In line with past policy, the USSR is expected to attempt to obtain a mortgage on future Indonesian exports as payment for the purchase. While Foreign Office and Department of Trade officials are aware of the dangers of this type of trade with the Soviet Bloc, they are confident that Indonesia can properly protect its interests. It remains to be seen whether this confidence is well-founded.

For the Chargé d'Affaires ad interim:

*Perry Ellis*  
Perry Ellis  
Counselor of Embassy  
for Economic Affairs

OFFICIAL USE ONLY

*TRE*

3

# OUTGOING TELEGRAM Department of State

INDICATE:  COLLECT  
 CHARGE TO

10463

For DCIT use only.

LIMITED OFFICIAL USE

## Classification

Origin

ACTION: Amconsul HONG KONG 371

Info:

CODE ROOM: Please repeat Djakarta's telegram No. 695/ control  
 No. 12043 to the Department.

Oct 16 7 02 PM '62

ncl i/r

dated October 16, 1962

461.9841/10-1662

USSR-Indonesian Trade Negotiations

HONG KONG 371

461.9841/10-1662

RUSK

1

DRAFTED BY ARD

10/18/62

FE:EA/MC:ARDornheim:cfd ARD

Telegraphic transmission and  
classification approved by:Leonard L. Bacon  
EA - Joseph XXXXXXXX ARD

Clearances:

SEA - Mr. Ingraham (substance) ARD

LIMITED OFFICIAL USE

## Classification

REPRODUCTION FROM THIS  
COPY IS PROHIBITED  
UNLESS "UNCLASSIFIED".

**INCOMING TELEGRAM****Department of State****ACTION COPY****PERMANENT RECORD COPY**

34

Action

FE

Info

SS

SR

G

SP

L

H

SAL

EUR

E

AID

P

USIA

NSC

INR

CIA

NSA

OSD

ARMY

NAVY

AIR

3

LIMITED OFFICIAL USE

Control:

Rec'd:

12043

OCTOBER 16, 1962 *KOKE*

8:40 AM

FROM: DJAKARTA

TO: Secretary of State

NO: 695, OCTOBER 16, 9 PM

ACTION DEPARTMENT 695, INFORMATION MOSCOW 8, CINCPAC  
POLAD 135.SOV AMB VOLUNTEERED TO CHARGE OCT 16 THAT USSR PROBABLY  
WOULD UNDERTAKE TRADE NEGOTIATIONS WITH GOI DURING  
DECEMBER AND THAT FOR THIS PURPOSE HIGH LEVEL REPRESENTATION  
WOULD ARRIVE FROM MOSCOW. SOV AMB SHOWED CONSIDERABLE  
INTEREST, EVEN CONCERN, RELATIVE TO \$300 MILLION CREDIT  
FROM HONG KONG PRIVATE SOURCES WHICH PRESS REPORTED WOULD BE  
PROVIDED INDONESIA.

HENDERSON

BAP

DEPARTMENT OF STATE

1962 OCT 16 PM 2 14

BUREAU OF  
FAR EASTERN AFFAIRS1  
RECORDED BY RM/R

• This copy must be returned to RM/R central files with notation of action taken

LIMITED OFFICIAL USE

REPRODUCTION FROM THIS COPY IS  
PROHIBITED UNLESS "UNCLASSIFIED"

ACTION ASSIGNED TO: SPAK	ACTION TAKEN	DATE OF 10/19/62		DIRECTIONS TO RM/R
NAME OF OFFICER & OFFICE SYMBOL	SPA/E/KLW	ACTION		FILE

W I T H D R A W A L   N O T I C E

RG: 059

TAB #: 17

ENTRY: CDF60-63

1 / 2 / C /

-----  
COPIES/PPS/CLASS/SPECMARK  
REGRADED: C

BOX: 1013

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

Folder Title: 461.9841/1-1063  
Document Date: 10/01/63  
Document Ser#: \_\_\_\_\_

Telegram No: 1048 From: DJAKARTA To: STATE

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

X Security-Classified Information

NND: 949610  
-----

WITHDRAWN: 07/21/95 by: ABD

FOIA RETRIEVAL #: 949610 01013 00017

Central File: Decimal File 461.9841, International Trade And Commerce. Trade Relations, Treaties, Agreements. Customs Administration., Import Tariff. Import Duty., Union Of Soviet Socialist Republics And Republic Of Indonesia, Trade Relations. Trade Agreements, Treaties, Conventions. Commercial Relations., March 27, 1962 - October 16, 1962. March 27 - October 16, 1962. MS Commercial and Trade Relations Between Tsarist Russia, the Soviet Union and the U.S., 1910-1963: RG 59, State Department, Central Files, Commercial Relations (411.61 and 461.11), United States-Soviet Union, 1950-1963. National Archives (United States). Archives Unbound, [link.gale.com/apps/doc/SC5106470042/GDSC?u=camb55135&sid=bookmark-GDSC&pg=1](http://link.gale.com/apps/doc/SC5106470042/GDSC?u=camb55135&sid=bookmark-GDSC&pg=1). Accessed 1 May 2024.