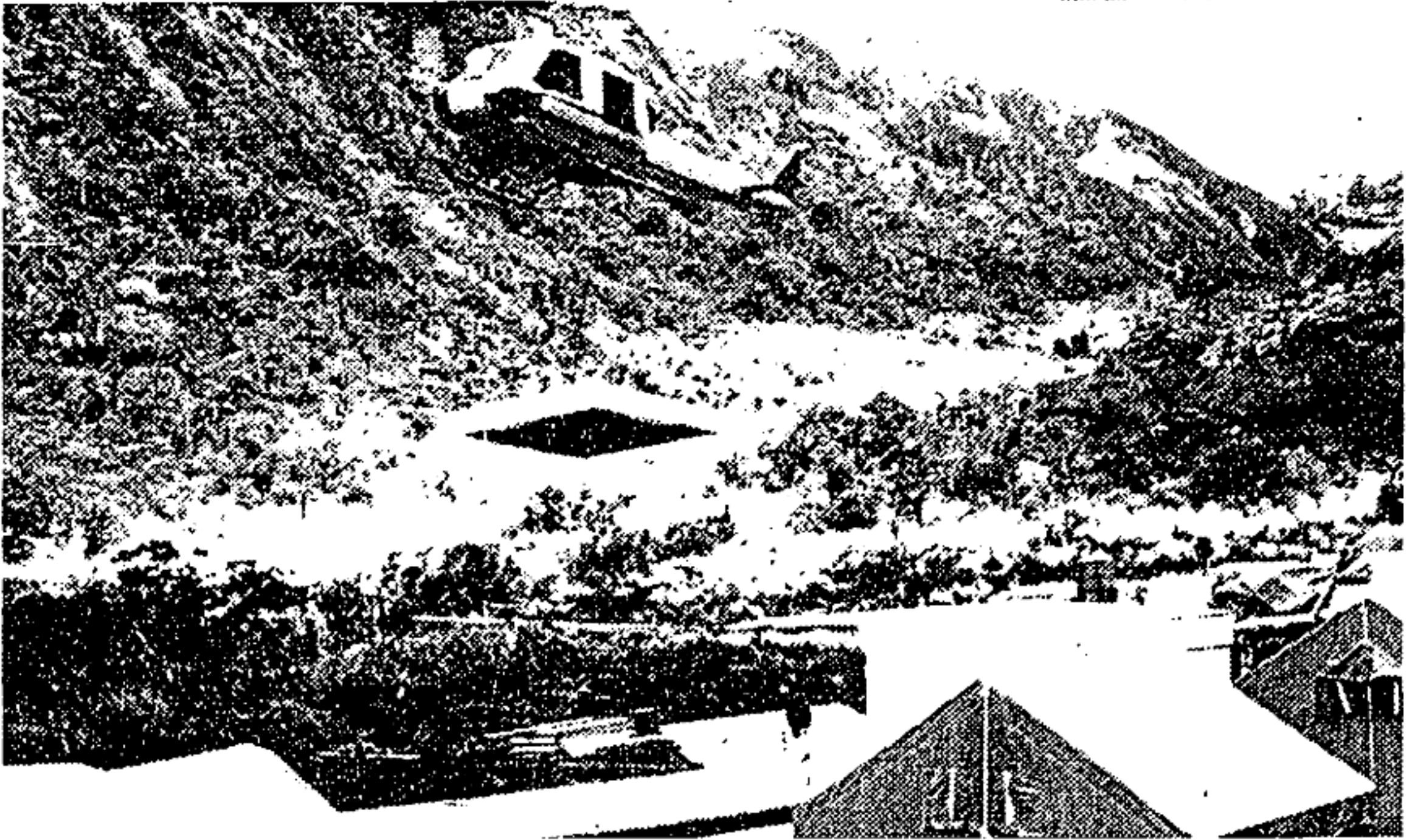


Indonesia Puts Out Welcome Mat



Parts of prefabricated house are delivered to a copper mine in West Irian (former Dutch New Guinea) operated by Freeport Indonesia, a subsidiary of the Freeport Sulphur Co.

By GERD WILCKE

Indonesia, striving to remove the legacy of former President Sukarno, is seeking new foreign investments.

For its part, the new leadership under General Suharto is promising to create a climate of economic and political stability.

American business leaders who heard these messages the other day at a symposium of the American Management

Association also were told bluntly that there was still corruption in Indonesia's administration but that it was up to them not to "succumb" to it.

The speaker delivering this analysis of Indonesia's plight at the start of the three-day session was Ambassador Soedjatmoko, the top Indonesian diplomat in the United States.

"Investing in Indonesia is

not exactly without difficulties," Mr. Soedjatmoko acknowledged. He said there were potentially few Indonesians who might "fit" as partners in joint ventures. However, he said, there are a number of "capable entrepreneurs who transferred their money out of the country under Sukarno and now want to return it on the

Continued on Page 33, Column 2

The New York Times

Copyright © The New York Times
Originally published August 17, 1968

Indonesia Puts Out the Welcome Mat

Continued From Page 31

backs of foreign investors."

Repeatedly stressing his government's determination to restore economic order, the diplomat said that Indonesia had rejoined such organizations as the International Monetary Fund and the World Bank.

To illustrate the improvement in Indonesia's investment climate, Mr. Soedjatmoko said that since the passage of a new investment law early last year Indonesia had signed agreements with about 70 foreign companies. Their potential investment, he estimated in an interview, would total between \$350-million and \$400-million.

Conference participants also recalled that Indonesia had been returning to their original owners foreign plants that had been confiscated under President Sukarno. Although this could be interpreted as a gesture of good will by the new leadership,



Ambassador Soedjatmoko of Indonesia before American Management Association.

some American companies, notably in the rubber industry, have criticized the poor condition of the plants. This,

they concluded, demonstrated that the Indonesians were not capable of running them properly.

Asked how stable the new government was, the diplomat asserted that Communism no longer represented a danger. He also stressed that opposition to foreign investment, which was particularly strong among student groups, had disappeared and that students now wanted the government to move quickly in rebuilding the economy.

The question of stability, Mr. Soedjatmoko warned, could not be separated from the question of security in the entire area of Southeast Asia.

"It's important to realize that the future security will not depend on a massive United States military presence," the ambassador said. "The rate of economic development will be more crucial than reliance on the military."

The New York Times

Copyright © The New York Times
Originally published August 17, 1968