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**THE PRESIDENT OF
THE REPUBLIC OF INDONESIA**

DECREE OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA

NO. 59, 1984

ON

THE COORDINATION OF TRANSMIGRATION OPERATIONS

**DEPARTMENT OF TRANSMIGRATION
JAKARTA
1985**



**THE PRESIDENT OF
THE REPUBLIC OF INDONESIA**

DECREE OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA

NO. 59, 1984

ON

THE COORDINATION OF TRANSMIGRATION OPERATIONS

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : a. that within the context of the implementation of national development, transmigration operations that are of a cross-sectoral nature need to be continuously intensified in a more integrated and coordinated manner ;

b. that in connection with the above it is deemed necessary to establish the form and mechanism of coordination so that transmigration operations can be conducted to the best possible extent, efficiently and effectively ;

Adhering to : 1. Article 4, paragraph (1), of the 1945 Constitution ;

2. Law No. 3, 1972, on the Basic Provisions of Transmigration (State Gazette No. 33, 1972, State Gazette Addendum No. 2988) ;



3. Law No. 5, 1974 on the Principles of Government in a Region (State Gazette No. 38, 1974, State Gazette Addendum No. 3037) ;
4. Government Regulation No. 42, 1973, on Transmigration Operations (State Gazette No. 52, 1973, State Gazette Addendum No. 3016) ;

HEREBY DECREES :

Revoking Presidential Decree No. 26, 1978, on the Transmigration Operation Coordinating Board.

Exacting : THE DECREE OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA ON THE COORDINATION OF TRANSMIGRATION OPERATIONS.

Article 1

Transmigration operations shall be the task and responsibility of the Minister of Transmigration and they shall be performed in an integrated and coordinated manner with other Departments and Government Institutions whose task and function scope is related to

transmigration operations, i.e. the Department of Home Affairs, the Department of Public Works, the Department of Agriculture, the Department of Forestry, the Department of Communications, the Department of Cooperatives, the Department of Health, the Office of the State Minister for Population and Environment, the Office of the State Minister for National Development Planning / National Development Planning Board (BAPPENAS), and other Government Institutions deemed similarly related.

Article 2

In performing the task referred to in Article 1, the Minister of Transmigration shall function as follows :

- a. coordinating the formulation of policies, preparation of programs and transmigration operation activities in an integrated manner among Departments and other Government Institutions whose task and function scope is related to transmigration activities, in line with the general policy established by the Government ;
- b. coordinating activities controlling transmigration program implementation and operation activities ;
- c. coordinating efforts to solve problems that arise in transmigration activities ;
- d. initiating other actions that may be needed to ensure the success of transmigration operations.

Article 3

(1) In performing his task and function, the Minister of Transmigration shall be assisted by :

1. A Secretariat, that shall be functionally handled by the Secretariat General of the Department of Transmigration and shall have the task of providing administrative and staff support for all transmigration operation activities in an integrated and coordinated manner.
2. A Supervisory Team, that shall be headed by the Inspector General of the Department of Transmigration and shall have as members the inspectors of Departments and supervisors of other Government Institutions whose task and function scope is related to transmigration operations, and shall have the task of assisting the Minister of Transmigration in conducting supervision and evaluation of transmigration operations.
3. A Technical Team, that shall be headed by an echelon I official of the Department of Transmigration appointed by the Minister of Transmigration and shall have as members the echelon II officials in the technical section of Departments and other Government Institutions whose task and function scope is related to transmigration operations, and shall have the task of assisting the Minister of Transmigration in transmigration operations.

- (2) The formation, job description, composition of members, and operating procedures of the Secretariat, the Supervisory Team, and the Technical Team referred to in paragraph (1) shall be organized further by the Minister of Transmigration.

Article 4

- (1) Transmigration operations in a Level I Region Province area shall be coordinated by the Governor/Head of Level I Region assisted by the Heads of the Area Offices of the Departments whose task and function scope is related to transmigration operations in the Level I Region Province area.
- (2) Transmigration operations in a Level II Region Kabupaten (Administrative District) shall be coordinated by the Bupati (Head of Kabupaten/District Representative of the Department of Home Affairs)/Municipal Mayor/Head of Level II Region assisted by the Heads of the Area Offices of the Departments whose task and function scope is related to transmigration operations in the Level II Region Kabupaten area.
- (3) In coordinating transmigration operations in a Level I Region Province area and in a Level II Region Kabupaten area, the Governor/Head of Level I Region and the Bupati/Municipal Mayor/Head of Level II Region shall adhere to the transmigration program and operation activity policy established in an integrated and coordinated manner as referred to in this Presidential Instruction.

- (4). The task, function, and operating procedures of transmigration operation coordination in a Level I Region Province area and in a Level II Region Kabupaten area shall be organized further by the Minister of Transmigration after consulting with the Ministers and Heads of Government Institutions whose task and function scope is related to transmigration operations, and within the context of coordination as referred to in this Presidential Instruction.

Article 5

All costs related to the implementation of transmigration operation coordination at the Central Region as well as a Level I or Level II Region shall be charged to the Department of Transmigration's Budget.

Article 6

At the time this Presidential Instruction starts to be effective, the implementation regulation issued on the basis of Presidential Instruction No. 26, 1978, shall remain effective, as long as it is not yet amended or replaced with a new implementation regulation on the basis of this Presidential Instruction.

Article 7

The technical stipulations for the implementation of this Presidential Instruction shall be organized further by the Minister of Transmigration.

Article 8

This Presidential Instruction shall be effective on the date of enactment.

Enacted in Jakarta
on October 16, 1984

THE PRESIDENT OF
THE REPUBLIC OF INDONESIA

(signed)

SOEHARTO.

A true copy of the original

THE SECRETARIAT OF THE CABINET
OF THE REPUBLIC OF INDONESIA

Head of Legal and Legislative
Affairs Bureau

(signed)

BAMBANG KESOWO, S.H. LL.M.

Bureau of Planning
Department of Transmigration
Jl. H. Agus Salim 58,
Jakarta
1985



DECREE OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA
NUMBER 1, 1978
REGARDING TO
THE OPPORTUNITY FOR DOMESTIC
INHABITANTS TO REMOVE INTO TRANSMIGRATION PROJECTS

JOIN DECREE
THE MINISTER OF MAN POWER AND TRANSMIGRATION
AND
THE MINISTER OF INTERNAL AFFAIRS

NUMBER KEP-128/MEN/1979
157 YEAR 1979

REGARDING TO
GUIDANCE OF IMPLEMENTATION ON THE OPPORTUNITIES FOR
DOMESTIC INHABITANTS TO REMOVE WITHIN
THE TRANSMIGRATION PROJECT

"locals"

DIRECTORATE GENERAL OF TRANSMIGRATION
DEPARTMENT OF MAN POWER AND TRANSMIGRATION



**DECREE OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA
NUMBER 1, 1978
REGARDING TO
THE OPPORTUNITY FOR DOMESTIC
INHABITANTS TO REMOVE INTO TRANSMIGRATION PROJECTS**

**JOIN DECREE
THE MINISTER OF MAN POWER AND TRANSMIGRATION
AND
THE MINISTER OF INTERNAL AFFAIRS**

**NUMBER KEP-128/MEN/1979
157 YEAR 1979**

**REGARDING TO
GUIDANCE OF IMPLEMENTATION ON THE OPPORTUNITIES FOR
DOMESTIC INHABITANTS TO REMOVE WITHIN
THE TRANSMIGRATION PROJECT**

**DIRECTORATE GENERAL OF TRANSMIGRATION
DEPARTMENT OF MAN POWER AND TRANSMIGRATION**



SOEHARTO
PRESIDEN REPUBLIK INDONESIA



**PRESIDENT OF
THE REPUBLIC OF INDONESIA**

**DECREE OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA
NUMBER 1, 1978 REGARDING TO THE OPPORTUNITY FOR DOMESTIC
INHABITANTS TO REMOVE INTO TRANSMIGRATION PROJECTS.**

PRESIDENT OF THE REPUBLIC OF INDONESIA

- To consider : a. In gaining a more successful achievement in developing the transmigration areas within the context of the regional development, it is necessary to establish regulations which organize opportunities for domestic inhabitants who are willing to remove voluntarily into transmigration projects.
- b. In regard to the above mentioned subject, it is necessary to publish follow-up issues as the implementation of Chapter 13 of the Law Number 3, 1972.
- To refer to : 1. Chapter 4, Article (1), Constitutional Law 1945.
2. Law Number 5, 1960 concerning the Basic Rules of Agriculture Principle (State's Gazette 1960 Number 104, Additional State's Gazette Number 2043).
3. Law Number 3, 1972 concerning the Basic Principles of Transmigration (State's Gazette 1972 Number 33, Additional State's Gazette number 2894).

4. Law Number 5, 1974 concerning the Basic Principle of Government Authorities at the regional level (State's Gazette 1974 number 38, Additional State's Gazette Number 3038).
5. Government Regulation Number 42, 1973 concerning the Implementation of Transmigration (State's Gazette 1973 Number 52, Additional State's Gazette number 3016).
6. Presidential Decree Number 2, 1973 concerning the Appointment of some Provinces as Transmigration Areas.
7. Presidential Decree Number 12, 1974 concerning the Appointment of the Province of West Kalimantan as a Transmigration Area.
8. Presidential Decree Number 29, 1975 concerning the Appointment of the provinces of Riau and West Sumatra as Transmigration Areas.

D E C I D E D

To determine : THE DECREE OF THE PRISIDENT OF THE REPUBLIC OF INDONESIA ON THE OPPORTUNITIES FOR DOMESTIC INHABITANTS TO REMOVE INTO THE TRANSMIGRATION PROJECTS.

CHAPTER 1

Domestic inhabitants from the Transmigration Areas who are willing to domicile voluntarily within the Transmigration Project should submit a request to the Minister in charge of Transmigration through the Minister of Internal Affairs.

CHAPTER 2.

Domestic inhabitants who are allowed to submit requests are those who domicile within the same administrative district area of the Transmigration Project or at the boderline of another district area.

CHAPTER 3.

Pre-requisites and regulation of implementation the Chapters I and 2 will be further formulated by the Minister responsible of Transmigration and the Minister of Internal Affairs.

CHAPTER 4.

If the domestic inhabitants were officially accepted and domicile in the Transmigration Project, they will be regarded as a transmigrant.

CHAPTER 5.

Domestic inhabitants as mentioned in Chapter 4 have the rights to :

- a. own land as wide as the land given to the transmigrant from the same project and will receive more than 2 hectares if he has the ability to work the land and if there is enough provision of land.
- b. utilizing public facilities available for transmigrant.

CHAPTER 6.

Domestic inhabitant who remove and domicile at Transmigration projects are responsible to assist the implementation of peace and security, to maintain all usage of public facilities available and to develop Transmigration Project related to the community by group or individually.

CHAPTER 7.

To obtain land certificate, fees on land registration and the procedures will be the responsibility of the related inhabitant similar to other transmigrant.

CHAPTER 8.

To appoint domestic inhabitant as mentioned in Chapter 4 at the Transmigration Project, a maximum 10 percent from the total project area could be provided as long as located at the same unit area of Transmigration Village.

CHAPTER 9.

Matters which are not be formulated within this Presidential Decree will be further arranged by the Minister responsible on Transmigration and the Minister of Internal Affairs.

CHAPTER 10.

This Presidential Decree is valid at the commencing date of appointment.

Determined at : Jakarta
Date : February 21, 1978

PRESIDENT OF THE REPUBLIC OF
INDONESIA

Signed

SOEHARTO



**JOINT DECREE
THE MINISTER OF MAN POWER AND TRANSMIGRATION
AND
THE MINISTER OF INTERNAL AFFAIRS**

NUMBER : KEP-128/MEN/1979
157 YEAR 1979.

REGARDING TO.

**GUIDANCE OF IMPLEMENTATION ON THE OPPORTUNITIES FOR
DOMESTIC INHABITANTS TO REMOVE WITHIN
THE TRANSMIGRATION PROJECT.**

**THE MINISTER OF MAN POWER AND TRANSMIGRATION
AND
THE MINISTER OF INTERNAL AFFAIRS.**

- To consider :
- a. That in relation with the implementation of the Presidential Decree Number 1, 1978 concerning the opportunity for domestic inhabitant to remove into the transmigration project, guidance of implementation should be formulated.
 - b. For that purpose it is necessary that the formulation of guidance should be decided through a Joint Decree by the Minister of Man Power and Transmigration and the Minister of Internal Affairs.

- To refer to : 1. Law Number 3, 1972.
2. Law Number 5, 1960.
3. Law Number 5, 1974.
4. Government Regulation of the Republic of Indonesia Number 42, 1973.
5. Presidential Decree of the Republic of Indonesia Number 1, 1978.
6. Presidential Decree of the Republic of Indonesia Number 26, 1978.

DECIDED

- To determine : THE JOINT DECREE CONCERNING THE GUIDANCE OF IMPLEMENTATION OF OPPORTUNITIES FOR DOMESTIC INHABITANTS TO REMOVE INTO THE TRANSMIGRATION PROJECTS.
- locals*

CHAPTER 1. PRE-REQUISITES AND PROCEDURES OF REQUEST

Article 1

- (1) Domestic inhabitants at the transmigration areas who voluntarily are willing to domicile at the transmigration project should submit a request to the Head Office of the Directorate General of Transmigration at the district level.
- (2) If a District Office of the Directorate General of Transmigration is not available, the request should be submitted to the Provincial Office of the Directorate General of Transmigration.
- (3) Request mentioned in Article (1) and (2) will be directed through the District Head at least 6 months ahead before the Transmigration Project is opened.

Article 2

The Office Head of the Provincial Directorate General of Transmigration from the appointed area is responsible to the announcement on the opening

of the new transmigration project at least 8 months before it and accept the request as mentioned by article 1.

Article 3.

Domestic inhabitants who are allowed to submit request are those who live and domicile at the same administrative district of the Transmigration Project or at the district located at the border of the Transmigration Project eith the District Authoritive consideration especially upon :

- a. Farmers without land
- b. Non farmers but having special skills needed by the Transmigration Project.
- c. Other inhabitants considered necessary by the District Head of the Transmigration area.

Article 4.

Request mentioned in Article 3 should be accompanied by :

- a. Population Registration Letter.
- b. Health Certificate from the Health Office.
- c. Good behaviour letter from the Police Office.
- d. Marriage certificate
- e. Statement that the concerned person will obey the regulation of transmigration and will fullfil duties as a transmigrant, which should be legalized by the sub-district Head.
- f. Statement that the concerned person has no land which should be legalized/known by the sub-district Head.

Article 5

If the request has been accepted by the District Office Head of the Directorate General of Transmigration, the District Head together with the District Transmigration Office Head will examine and slect the sincerity and truthfulness of the request.

- (1) If the submitted request from the domestic inhabitants is accepted, he is considered as a transmigrant with the rights and duties as mentioned in Article 7, Article 8, Article 9, Article 10 Chapter II of this Letter of Decision.
- (2) The Office Head of the Provincial Directorate General of Transmigration of the transmigration area will report to the Director General of Transmigration with a copy to Directorate General of General Authorities and Autonomy, Director General of Agraria and the Director General of Village Development concerning the approval or the refusal of the submitted request as mentioned in subarticle (1) or this Article accompanied with documents as mentioned in Article 4.

CHAPTER II. RIGHTS AND DUTIES

Article 7

As long as BAKOPTRANS (Coordinative Body of Transmigration Development) does not determine particular decisions, domestic inhabitant who remove into Transmigration Projects has the right of each family head on :

- (1) a. For the farmer, he will receive 2 HA land comprise of $\frac{1}{4}$ HA for housing and yard, $1\frac{3}{4}$ HA for his farmland.
b. For the non-farmer, he will receive $\frac{1}{4}$ HA land for housing and house-yard.
- (2) The land mentioned in sub-article (1) will be facilitated with land measurement by the Agrarian official.
- (3) For the farmers, $\frac{1}{4}$ HA of land will be used for home-yard and 1 HA of it will be used for agriculture purposes, while for the non-farmer only $\frac{1}{4}$ HA land will be opened for their agriculture activities.
- (4) One built house for each family head and the Rights of Usage on the available public facilities.
- (5) Assistance during the maintenance period in line with the existing regulation.

Article 8

- (1) Domestic farmers remove into the Transmigration Project receive the opportunity to own more than 2 HA land proportionally with their individual capacity to work the land and other skill activities which will be implemented, based on the existing Agrarian Regulations and the available land for expansion.
- (2) The non-farmer inhabitants removing to the Transmigration Project receive the opportunity to own land according to the individual capacity based on the existing Agrarian Regulations and the available land for expansion.

Article 9

- (1) The rights upon land mentioned in Article 7 and Article 8 is provided according to the existing Agrarian Regulations.
- (2) Land property mentioned in sub-article (1) of this Article should be registered at the local Agrarian Office according to the existing Agrarian regulations.

Article 10

Any Domestic inhabitants removing to Transmigration Project :

- (1) Is entitled to maintain peace and order of the Transmigration Project involved;
- (2) Is entitled to assist in maintaining the usage of existing facilities available at the Transmigration Project collectively or individually.

CHAPTER III

AREAL PROCUREMENT

Article 11

To accomodate domestic inhabitants at the Transmigration Projects as mentioned in Article 6, a maximum 10 percent of the project area can be provided while as the location belongs to the Transmigration Village Unit.

**CHAPTER IV
SANCTION**

Article 12

Inhabitants already accomodated at the Transmigration Project should abide to the regulations within the Law Number 3/1972.

**CHAPTER V
CLOSING**

Article 13

Any particular subject which has not been included within this joint agreement will be regulated by the Director General of Transmigration functioning as the secretary of BAKOPTRANS.

Article 14

This Joint Decree will be effective since the date of issue.

Effective in : J A K A R T A

Date : September 1, 1979

**MINISTER OF MAN POWER AND
TRANSMIGRATION**

Signed

HARUN ZAIN

MINISTER OF THE INTERNAL AFFAIRS

Signed

AMIR MACHMUD

DIT. JEN. TRANS. No. 009/82



PRESIDENTIAL DECREE
No. 26 / 1978
CONCERNING
COORDINATING BODY FOR THE
IMPLEMENTATION OF TRANSMIGRATION

DIREKTORATE GENERAL FOR TRANSMIGRATION
JAKARTA

**PRESIDENT
OF THE REPUBLIC OF INDONESIA**

**DECREE OF THE PRESIDENT OF THE REPUBLIC
OF INDONESIA**

No. 26, 1978

concerning

**THE COORDINATING BODY FOR THE IMPLEMENTATION
OF TRANSMIGRATION**

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Having taken into consideration the fact:

- a. that since transmigration is one of the means by which national and regional development is to be achieved, implementation must continue to be improved and organisation strengthened and expended so that the objectives of transmigration stated in the Board Outlines of National Policy (GBHN) and Statute No. 3 of 1972 can be realised;
- b. that if transmigration is to be improved and expanded, coordination in implementation must also be improved both at the national and at the regional levels;
- c. that implementation of transmigration which in nature involves several sectors requires the existence of a permanent agency in the form of a coordinating body to handle transmigration;
- d. that the stipulations expressed in Presidential Decree No. 29 of 1974 are no longer appropriate to improvement and expansion in transmigration and for that reason must be immediately improved upon;

And bearing in mind:

1. Clause 4 paragraph (1) of the 1945 Constitution;
2. Decree No. IV/MPR/1978 of the People's Deliberative Assembly concerning the Broad Outlines of National Policy;

3. Statute No. 5 of 1960 concerning Basic Agrarian Regulations (State Gazette 1960, No. 104);
4. Statute No. 56 of 1960 concerning Decision about the Extent of Agricultural Land (State Gazette 1960, No. 1974);
5. Statute No. 3 of 1972 concerning Basic Stipulations for Transmigration (State Gazette 1972, No. 33 Supplement to the Gazette No. 2988);
6. Statute No. 5 of 1974 concerning the Basic of Government in the Regions (State Gazette 1974, No. 38 Supplement to the Gazette No. 3037);
7. Government Regulation No. 42 of 1973 concerning the Implementation of Transmigration (State Gazette 1973, No. 52 – Supplement to the Gazette No. 3016);
8. Decree of the President of the Republic of Indonesia No. 12 of 1977 concerning the State Budget;
9. Decree of the President of the Republic of Indonesia No. 59/M of 1978 concerning the IIIrd Development Cabinet;
10. Decree of the President of the Republic of Indonesia No. 70/M of 1978 concerning the Appointment of Junior Ministers;
11. Decree of the President of the Republic of Indonesia No. 13 of 1978 concerning the Position, Basic Tasks, Functions and Working Methods of the Junior Ministers and the Organisational Arrangement of the Staff of the Junior Ministers;

HAS DECIDED :

By revoking Presidential Decree No. 29 of 1974 concerning the Formation of a Body for the Expansion of Development in Transmigration Areas;

To issue:

**A DECREE OF THE PRESIDENT OF THE REPUBLIC
OF INDONESIA CONCERNING THE FORMATION
OF A COORDINATING BODY FOR THE IMPLEMEN-
TATION OF TRANSMIGRATION.**

**CHAPTER I
GENERAL STIPULATIONS**

Clause 1

In this Presidential Decree the following interpretations are intended:

1. The Area of Origin is the area that is defined on a basis Clause 10 of Staute No. 3 of 1972.
2. The Receiving Area is the area that is defined on a basis of Clause 11 of Statute No. 3 of 1972.
3. The Transmigration Settlement Area is the area chosen as the place for resettlement of transmigrants and consisting of transmigration settlement units;
4. The Minister is the minister who is responsible for guidance and implementation of transmigration and who, besides his basic tasks, acts as the Chairman of the Coordinating Body for Implementation of Transmigration;
5. The Junior Minister is the Junior Minister for Transmigration Affairs, who acts as the Chairman for Daily Implementation/of the Transmigration Control Unit;
6. The Technical Team is the group of experts/work units taken from various departments and agencies and seconded to the Chairman of the Transmigration Control Unit under the coordination of the Secretary of that Transmigration Control Unit;
7. The Aistant Control Unit is the entire staff of the Regional Offices of the Directorate-General for Transmigration in the provinces, who have the double function of acting as Assistant Staff for Transmigra-

tion Control; it is their job to monitor the activities and development of transmigration projects in their region.

8. The Regional Unit for Promotion of Transmigration is the executive apparatus for promotion of transmigration in a region; it is headed by the Governor/-Regional Head in a province and by the District Head in a district.
9. The Regional Coordinator of Transmigration Settlement Unit Projects is a member of the Regional Control Staff and is appointed, and dismissed by the Minister for Manpower and Transmigration; it is his job to coordinate a number of Transmigration Settlement Unit Projects.
10. The Field Coordinator of a Transmigration Settlement Unit Project is a member of the Field Control Staff which represents the Command Body for Transmigration Settlement Unit Projects; he is appointed and dismissed by the Minister for Manpower and Transmigration.
11. The Projects of the various departments and agencies are Projects as understood in Presidential Decree No. 12 of 1977.
12. A Transmigration Settlement Unit is a transmigration settlement regional unit that is established and developed by several different agencies in accordance with their respective basic tasks and with the coordination of the Head of the Command Body for Transmigration Settlement Unit Projects.

CHAPTER II POSITION, BASIC TASKS AND ORGANISATIONAL ARRANGEMENT

Clause 2

In an attempt to improve the implementation of transmigration a Coordinating Body for the Implemen-

tation of Transmigration is formed in order to provide a non-structural agency whose basic tasks is to assist the Minister in the formulation of short-term, middle-term and long-term transmigration programmes that are both integrated and unified and also in the coordination and control of implementation of the transmigration programme in the context of the general policies laid down by the Government.

Clause 3

(1) The organisational arrangement and membership of the Coordinating Body for the Implementation of Transmigration, which hereafter in the Presidential Decree is referred to as the Coordinating Body, is as follows:

- a. Chairman : The Minister for Manpower and Transmigration, who is also a member;
- b. Members :
 - i. The Minister for Home Affairs
 - ii. The Minister for Public Works
 - iii. The Minister for Agriculture.
 - iv. The Minister for Communications.
 - v. The Minister for Regulation of the State Apparatus and Deputy Chairman of the National Planning Board
 - vi. The Minister for Supervision of Development and Environment
 - vii. The Junior Minister for Transmigration
 - viii. The Junior Minister for Food Production
 - ix. The Junior Minister for Cooperatives

- x. Any other ministers whose membership is regarded as necessary by the Coordinating Body
 - c. Secretary : The Director-General of Transmigration.
- (2) The Coordinating Body is responsible to the President.

Clause 4

- (1) Implementation of the daily work of the Coordinating Body is to be handled by a Daily Executive which functions as the Transmigration Control Unit.
- (3) Organisational arrangement and membership of the Transmigration Control Unit is as follows :
- a. Chairman : The Union Minister for Transmigration, who is also a member;
 - b. Secretary : The Director-General of Transmigration as the Head of the Secretariat of the Transmigration Control Unit; he is also a member;
 - c. Members : The Director-General of Departments and the head of the other Agencies of the same level, where tasks are connected with the implementation of transmigration.

Clause 5

In carrying out his duties the Chairman of the Transmigration Control Unit is assisted by :

- a. The Assistant Control Unit :
 - i. The Technical Team
 - ii. The Regional Offices of the Directorate-General for Transmigration;

- b. **The Regional Unit for Promotion of Transmigration** : i. The Governor/Regional Head of the province is the Head of the Unit for Promotion of Transmigration at the provincial level and is also a member;
- c. **The Regional/Field** : i. The Regional Coordinator of Transmigration Settlement Unit Projects;
 - ii. The Field Coordinators of Transmigration Settlement Unit Project.

Clause 6

The Transmigration Control Unit

- (1) The Transmigration Control Unit represents the apparatus for operational coordination in policy implementation and programme formulation in the control of transmigration in keeping with general policies laid down by the Government.
- (2) The Chairman of the Transmigration Control Unit is responsible to the Chairman of the Coordinating Body.

Clause 7

The Secretariat of the Transmigration Control Unit

- (1) The Secretariat of the Transmigration Control Unit is conducted by the Directorate-General for Transmigration, Department of Manpower and Transmigration.
- (2) The Secretary of the Transmigration Control Unit is responsible to the Chairman of the Transmigration Control Unit.
- (3) In the performance of his duties the Secretary of the Transmigration Control Unit uses the Apparatus of the Directorate-General for Transmigration.

Clause 8

The Assistant Control Units

- (1) The Technical Team consists of the group of experts/work units taken from various Departments and Agencies and seconded to the Chairman of the Transmigration Control Unit; the daily work of the Team is coordinated by the Secretary of the Transmigration Control Unit.
- (2) The Regional Offices of the Directorate-General for Transmigration as the Assistant Control Units in the tactical and operational sense are under the Chairman of the Transmigration Control Unit.
- (3) The Assistant Transmigration Control Units are responsible to the Chairman of the Transmigration Control Unit.

Clause 9

The Units for Promotion of Transmigration

- (1) The Units for Promotion of Transmigration at the provincial level consist of:
 - a. The Governor/Regional Head of the province as Head and also as a member;
 - b. The Heads of the Regional Office of the Directorate-General for Transmigration as Secretary and also as a member;
 - c. The Heads of the Regional Offices and Agencies in the vertical administrative structure that are connected with the implementation of transmigration or other official of the same level in the province as members.
- (2) The Units for Promotion of Transmigration at Provincial level are responsible to the Chairman of the Transmigration Control Unit.

Clause 10

The Units for Promotion of Transmigration at the District Level

- (1) The Units for Promotion of Transmigration at the district level consist of:
 - a. The District Head as the Head and also a member;
 - b. The Head of the District Office of the Directorate-General for Transmigration as Secretary and also as a member;
 - c. The Regional Coordinator of Transmigration Settlement Unit Projects as a member;
 - d. The Field Coordinator of Transmigration Settlement Unit Projects as a member;
 - e. The Heads of other offices in the vertical administrative structure that are connected with the implementation of transmigration or other officials of the same level in the district as members;
- (2) The Units for Promotion of Transmigration at district level are responsible to the Chairman of the Transmigration Control Unit via the Chairman of the Units for Promotion of Transmigration at provincial level.

Clause 11

The Regional and Field Coordinators

- (1) The Regional Control Staff is managed by the Regional Coordinator of Transmigration Settlement Unit Projects as Coordinator of several Transmigration Settlement Project Units.
- (2) The Field Control Staff is managed by the Field Coordinator of Transmigration Settlement Unit Projects as the one in command of a Transmigration Settlement Unit Project.
- (3) The Regional and Field Coordinators of Transmi-

gration Settlement Unit Projects are appointed by the Minister from among officials of the Department of Manpower and Transmigration or officials of other agencies that meet the requirements.

- (4) The Regional and Field Coordinators are responsible to the Chairman of the Transmigration Control Unit.

CHAPTER III DUTIES, COMPETENCE AND RESPONSIBILITY

Clause 12

The Coordinating Body

The Coordinating Body performs the following duties and has the following competence and responsibility:

- a. to formulate short-term, middle-term and long-term transmigration plans and programmes in the context of the general policies laid down by the Government;
- c. to determine operational work plans and estimates of the budget required; these plans and estimates are to cover the activities of the various departments and agencies that provide support for the implementation of transmigration;
- d. to prepare the arrangement and utilization of the budget for the Transmigration sub-sector and also for the project that are allocated to each different Department; submission of this budget to the Department of Finance and the National Development

Planning Board requires the Minister's signature.

- c. to undertake supervision of the implementation of transmigration.

Clause 13

The Transmigration Control Unit

The Transmigration Control Unit performs the following duties and has the following competence and responsibility:

- a. to synchronize short-term, middle-term and long-term transmigration plans and programmes and also details of integrated projects on a basis of the policies already laid down for discussion and decision by the Coordinating Body. Synchronization of plans is done by means of coordination among the departments and agencies that are connected in some way with the implementation of transmigration programmes.
- b. to follow and coordinate all operational activities carried out by departments and agencies in connection with the implementation of transmigration;
- c. to take the necessary step required to solve any problems that arise in implementation of transmigration programmes;
- d. to carry out control and supervision of implementation of the transmigration programme;
- e. to accommodate community aspirations and to stimulate community participation in the implementation of transmigration;
- f. to undertake in the sense of coordinate and control implementation of the decisions reached by the Coordinating Body.

Clause 14

The Secretariat of the Transmigration Control Unit

The Secretariat of the Transmigration Control Unit performs the following duties and has the following competence and responsibility;

- a. to regulate and foster cooperation and to integrate and synchronize the whole administration of the Transmigration Control Unit;
- b. to assist the Chairman of the Transmigration Control Unit in synchronizing proposed plans and programmes as intended in Clause 13, part a;
- c. to take charge of the administration including staff, financial and equipment matters required for implementation and promotion and transmigration;
- d. to prepare regular and occasional reports from the Chairman of the Transmigration Control Unit concerning implementation and promotion of transmigration to be submitted to the Chairman of the Coordinating Body;
- e. to collect material required from the various department and agencies for the preparation of transmigration programme plans;
- f. to carry out other activities upon instruction from the Chairman of the Transmigration Control Unit.

Clause 15

The Assistant Control Unit

The Assistant Control Unit performs the following duties and has the following competence and responsibility:

- a. This Technical Team carries out operational activities of a technical nature in accordance with the programmes, directions and instructions that are given by the monitoring of the activities involved in and development concerned with establishment of Transmigration Settlement Unit projects.
- b. The Regional Office of the Directorate-General for Transmigration as the Assistant Control Unit undertakes monitoring of the activities involve in and development concerned with establishment of Transmigration Settlement Unit projects.

Clause 16

The Units for Promotion of Transmigration at the Provincial Level

The Units for Promotion of Transmigration at the Provincial Level perform the following duties and have the following competence and responsibility:

- a. to coordinate and supervise implementation of transmigration settlement projects in the area by the various departments and agencies as already decided by the Coordinating Body;
- b. to coordinate, control and supervise implementation in the fields of information, registrations, selection, collecting and transfer relevant to transmigration in the Area of Origin at the provincial level;
- c. to coordinate, control and supervise implementation in the fields of provision and safeguarding of land for the establishment of settlements, placement of transmigrants, guidance and expansion in the Receiving Area at the provincial level;
- d. to solve problems that arise in the province connection with implementation of the transmigration programme;
- e. to put forward to the Chairman of the Transmigration programme.

Clause 17

The Units for Promotion of Transmigration at the District Level

The units for Promotion of Transmigration at the District Level perform the following duties and have the following competence and responsibility:

- a. to coordinate and supervise implementation of transmigration settlement projects in the district by the various departments and agencies that have been decided upon by the Coordinating Body;

- b. to coordinate, control and supervise implementation in the fields of information, registration, selection, collecting and transfer relevant to transmigration in the Area of Origin at the district level;
- c. to coordinate, control and supervise implementation in the fields of provision and safeguarding of land for the establishment of settlements, placement of transmigrants, guidance and expansion in the Receiving Area at the district level;
- d. to solve problems that arise in the district in connection with implementation of the transmigration programme;
- e. to put forward to the Regional Unit for Promotion of Transmigration at the provincial level suggestions relevant to implementation of the transmigration programme.

Clause 18

Regional and Field Coordinators

- (1) The Regional Coordinator as the coordinator of a number of Transmigration Settlement Unit Projects performs the tasks involved in and has competence and responsibility for the coordination of the activities of Project Units undertaken by each different department or agency and carried out in several transmigration settlement units in accordance with instructions and stipulations issued by the Chairman of the Transmigration Control Unit.
- (2) The field Coordinator as the coordinator of a Transmigration Settlement Unit Project performs the tasks involved in and has competence and responsibility for coordination of the activities of a Project Unit undertaken by each different department or agency and carried out in one transmigration settlement unit in accordance with the instructions and stipulations issued by the Chairman of the Transmigration Control Unit.

CHAPTER IV
TASKS OF THE DEPARMENTS AND AGENCIES
THAT ARE INVOLVED IN IMPLEMENTATION OF THE
TRANSMIGRATION PROGRAMME

Clause 19

Ministries

(1) The Departments and agencies involved in implementation of the Transmigration programme are obliged:

a. to prepare transmigration projects in their own respective fields as well as cost estimates to be forwarded Control and discussed by the Transmigration unit and later to be decided upon by the coordinating Body;

c. to second technical teams, work units and executive units for transmigration projects to the Transmigration Control Unit so as to achieve integrated action under the command of the Chairman of the Transmigration Control Unit.

(1) The Departments and Agencies are obliged to consult at all times with the Chairman of the Transmigration Control Unit if they wish to make any changes in operational policies for the implementation of transmigration projects in their own respective fields and/or intend to make changes in transmigration project or budget in question.

Clause 20

Division of tasks among the Departments and Agencies directly involved in implementation of the transmigration programme is as follows :

a. The Department of Manpower and Transmigration has these tasks:

- i. to coordinate, control and supervise all activities involved in implementation of transmigration;
- ii. to collect and process socio-economic data in the areas of origin and the receiving areas by means of surveys and/or research in the context obtaining material on which to determine areas of origin and sites for transmigration settlements;
- iii. to handle general information, mobilisation, registration, collecting, selection, education and training of prospective transmigration, provision of transit accommodation, health care, arrangement and supervision of transport and provision of food for transmigrants during the journey;
- iv. to arrange for a supply of equipment to support the activities of transmigrants for guidance in the transmigration area in accordance with existing regulation;
- v. to escort and settle transmigrants;
- vi. to provide general extension services;
- vii. to issue preliminary letters to indicate land use;
- viii. to make designs for and construct housing for transmigrants as well as social infrastructure facilities and clean water supplies;
- ix. to supply the other necessities of life required by transmigrants;
- x. to handle guidance of the transmigration area before it is transferred to the Department of Home Affairs; this include preparation of the village governmental structure in accordance with existing regulations;
- xi. to carry out any other activities that support the basic task of the Department of Manpower and Transmigration in the transmigration sector in accordance with general government policy;

Agraria ?

- b. The Department of Home Affairs has these tasks:
- i. to provide and safeguard tracts of land for transmigration projects and handling of questions of land status;
 - ii. to compile and settle agrarian matters in the context of determining land available for transmigration;
 - iii. to handle the granting of land ownership certificates to transmigrants;
 - iv. to prepare population and governmental data in matters relating to transmigration settlements;
 - v. to give land management rights to the Minister for Manpower and Transmigration;
 - vi. to carry out surveying and mapping of land use and of land holdings for transmigrations settlements projects;
 - vii. to provide elementary schools;
 - viii. to accept transfer of transmigration projects;
 - ix. to undertake the first steps in guidance of fillage administration stage by stage;
 - x. to carry out any other activities that are required provide support for implementation of the transmigration programme in accordance with general government policy.
- c. The Department of Public Works has these tasks;
- i. to carry out regional surveys; research and planning, including topographical mapping of prospective settlement sites in the context of preparing transmigration plans and programmes;
 - ii. to collect and process data and information from the relevant Departments and Agencies about the potential of prospective transmigration settlement sites in the context of preparing transmigration plans and programmes;

- iii. to prepare short-term, middle-term and long-term plans and programmes for transmigration settlements to be discussed and decided upon by the Coordinating Body for Transmigration;
- iv. to arrange and make the spatial lay-out for transmigration settlements;
- v. to prepare and carry out land clearing for transmigration settlements in accordance with the plans and programmes already decided upon by the Coordinating Body for Transmigration;
- vi. to prepare construction of access roads, spine roads, bridges, wharfs, drainage ditches, irrigation and canal systems in transmigration settlement projects;
- vii. to carry out other activities required to provide support for implementation of the transmigration programme in accordance with general government policy.

d. The Department of Agriculture has these tasks:

- i. to collect and process technical data about soil fertility, land capability and hydrology and to decide upon the best agricultural pattern to develop agriculture in the prospective transmigration settlement area, and also to give opinions and recommendations about ways to preserve soil fertility during land clearing;
- ii. to compile data about problems relating to Forestry Concessions that overlap with prospective transmigration project sites and to settle such problems; steps should also be taken to ensure that Protective Forests, Natural Sanctuaries and Tourist Forests are not used as transmigration settlements;
- iii. to supply fertiliser, pesticide, seeds for food crops and seedlings for perennials (both for

the home-lot and for plantation land), livestock and fish as well as the means of production equipment needed for production by transmigrants;

- iv. to provide guidance and extension services including management of demonstration plots and demonstration farms and any institutions that are needed (Agricultural Technology Centre, Agricultural Extension Services Centre, Seed Centre, Plant Nursery, etc, together with staff required for these undertakings);
 - v. to give guidance to farmers in eradication of plant pests and diseases and protection of livestock against disease in an organized way in the transmigration settlement areas;
 - vi. to carry out research concerning control of land, water and environmental resources and also undertake efforts towards conservation in the transmigration settlement areas;
 - vii. to carry out other activities required to provide support for implementation of the transmigration programme in accordance with general government policy.
- e. The Department of Communications has these tasks:
- i. to provide means of land, sea and air transportation and also safeguarding thereof for the transfer and settlement of transmigrants;
 - ii. to expand the system and means of transportation required for transmigration in accordance with the transmigration programme that has already been decided upon;
 - iii. to provide postal and telecommunication facilities as well as the necessary equipment in transmigration settlement areas;
 - iv. to carry out other activities required to provide support for implementation of the transmi-

gration programme in accordance with general government policy.

- f. The Department of Trade and Cooperatives has these tasks :
- i. to provide guidance in the marketing of commodities produced by transmigrants;
 - ii. to undertake formation and guidance of village cooperative units (BUUD and KUD) in transmigration settlement areas:
 - iii. to carry out other activities required to provide support for implementation of the transmigration programme in accordance with general government policy.
- g. Other Departments and Agencies are to take steps to facilities implementation and guidance of transmigration in accordance with their own basic tasks and on a basis of existing regulation.

CHAPTER V
METHODS OF WORK
Clause 21

- (1) The Coordinating Body holds coordination meetings regularly or on occasions when necessary; meetings are to be held at least four times as year to:
- a. discuss formulation of operational policies and transmigration plans and programmes including decisions about transmigration settlement area locations that have already been prepared by the Transmigration Control Unit;
 - b. discuss problems that arise in connection with transmigration policy and programme implementation;
 - c. discuss any other problems connected with the implementation of transmigration;

d. make decisions related to the matters mentioned above in the context of supporting and facilitating implementation of transmigration.

- (2) The Chairman and Members of the Coordinating Body can put forward material, suggestions and proposals about transmigration programme policies at coordination meetings;
- (3) In formulating operational policies and plans and programmes as intended in section (1) above, meetings of the Coordinating Body are to be guided by the policies outlined by the government and are to take note of public opinion.
- (4) Basically attendance at meetings of the Coordinating Body described in section (1) above cannot be entrusted to a representative. If a Minister/member of the Coordinating Body is prevented from attending a meeting for some reason, he may instruct the Secretary-General or some other official of the same level to represent him.
- (5) Decisions made by coordination meetings both of a regular or occasional nature as intended in section (1) above are binding upon the Departments, Agencies and Bodies that are members of the Coordinating Body.
- (6) Meetings of the Coordinating Body are chaired by the Minister and are attended by members of the Coordinating Body. If it is regarded as necessary, the Chairman can invite other Ministers and officials that are in some way connected with implementation of transmigration.
- (7) As far as possible decisions of meetings of the Coordinating Body are to be made on a basis of deliberation to reach a consensus of opinion.

Clause 22

The Transmigration Control Unit

- (1) The Transmigration Control Unit holds coordina-

tion meetings regularly or on occasions when necessary; meetings are to be held at least once a month to;

- a. discuss formulation of policies as well as plans and programmes for transmigration projects that have already been prepared by the Secretariat of the Transmigration Control Unit on a basis of the material that comes from the various Departments and Agencies connected with transmigration programme and of other material also;
- b. discuss problems that arise during the process of preparation of policies, plans and programmes and also during preparation of implementation;
- c. discuss problems that arise during the process of implementation of transmigration;
- d. compile proposals and considerations concerning the matters mentioned above and other matters that are connected with the smooth operation of implementation and expansion of implementation and expansion of transmigration.

(2) The Chairman of the Transmigration Control Unit can request or accept direct reports from the agencies that are connected with implementation of the transmigration programme.

(3) The Chairman of the Transmigration Control Unit can conduct meetings and technical gatherings either together or separately with the Agencies that are interested in and have some connection with implementation of the transmigration programmes;

(4) Basically attendance at meetings of the Transmigration Control Unit as described in section (1) above cannot be entrusted to a representative. If a member of the Transmigration Control Unit

is prevented from attending a meeting for some reason, the official who represents him must have a full mandate.

- (5) As far as possible decisions of meetings of the Transmigration Control Unit are to be made on a basis of deliberation to reach a consensus of opinion.

Clause 23

The Secretary of the Transmigration Control Unit

- (1) In carrying out their own respective duties all elements within the Secretariat of the Transmigration Control Unit are obliged to observe the principle of coordination, integration and synchronisation both within the scope of the Transmigration Control Unit itself and also in interdepartmental/inter-agency relations so as to achieve uniform action that is appropriate to the basic task.
- (2) The Secretary of the Transmigration Control Unit performs his duties on a basis of the policies laid down by the Chairman of the Transmigration Control Unit.

Clause 24

The Assistant Control Unit

- (1) The Technical Team is directly under and is responsible to the Chairman of the Transmigration Control Unit in the performance of its duties; its daily activities are coordinated by the Secretary of the Transmigration Control Unit and it is obliged to present regular and occasional reports concerning the implementation of its tasks.
- (2) The Head of a Regional Office of the Directorate-General for Transmigration as Head of an Assistant Control Unit is obliged to present regular/occa-

sional reports concerning implementation of his tasks to the Chairman of the Transmigration Control Units.

Clause 25

The Units for Promotion of Transmigration

- (1) The Unit for Promotion of Transmigration at the Provincial Level hold regular/occasional coordinating meetings in order to follow the rate of expansion of activities involved in operational implementation of the transmigration programme as already decided upon and also in order to discuss and take measures that are needed to facilitate implementation of the transmigration programme.
- (2) The Head of the Unit for Promotion of Transmigration at the Provincial Level present regular/occasional reports on the performance of his duties to the Chairman of the Transmigration Control Unit.

Clause 26

The Unit for Promotion of Transmigration at the District Level

- (1) The Unit Promotion of Transmigration at the District Level holds regular/occasional coordinating meetings in order to follow the rate of expansion of activities involved in operational implementation of the transmigration programme as already decided upon and also in order to discuss and take measures that are needed to facilitate implementation of the transmigration programme.
- (2) The Head of the Unit for Promotion of Transmigration at the District Level present regular/occasional report on the performance of his duties to the Chairman of the Transmigration at the Provincial Level.

Clause 27.

Regional and Field Coordinators.

- (1) The Regional Coordinator as coordinator of several Transmigration Settlement Unit Projects is obliged in performance of his daily duties to observe the instruction and guide-lines issued by the chairman of the Transmigration Control Unit.
- (2) In performance of his duties the Regional Coordinator is obliged to coordinate several transmigration Settlement Unit Project in keeping with guide lines from the chairman of the Transmigration Control Unit.
- (3) The Field Coordinator as Head of a Transmigration Settlement Unit Project Command forwards regular/occasional and finances from every task unit and the obstacles that are encountered to the Chairman of the Transmigration Control Unit with copies to the Head of the Unit for Promotion of Transmigration at the district level in the area in question and to the Regional Coordinator.
- (4) The Regional and Field Coordinator are responsible to the Chairman of the Transmigration Control Unit.

CHAPTER VI.

FINANCE

Clause 28.

Finance for the Coordinating Body, the Transmigration Control Unit, the Unit for Promotion of Transmigration at the Provincial Level and the Unit for Promotion of Transmigration at the District level in carrying out activities concerned with the Transmigration programme are to come from the budget of the Department of Manpower and Transmigration, Subsector.

**CHAPTER VII
STIPULATIONS CONCERNING TRANSFER**

Clause 29

Management, processing and guidance of all transmigration projects in existence before this Presidential Decree becomes valid are to be adjusted to the Stipulations contained in this Decree at the very latest by the end of the 1979-1980 financial year.

**CHAPTER VIII
CLOSING STIPULATIONS**

Clause 30

Decisions of the Coordinating Body are binding upon Departments and Agencies that are members of the Coordinating Body.

Clause 31

Matters not yet regulated in this Presidential Decree are to be regulated later by the Minister/Chairman of the Coordinating Body.

Clause 32

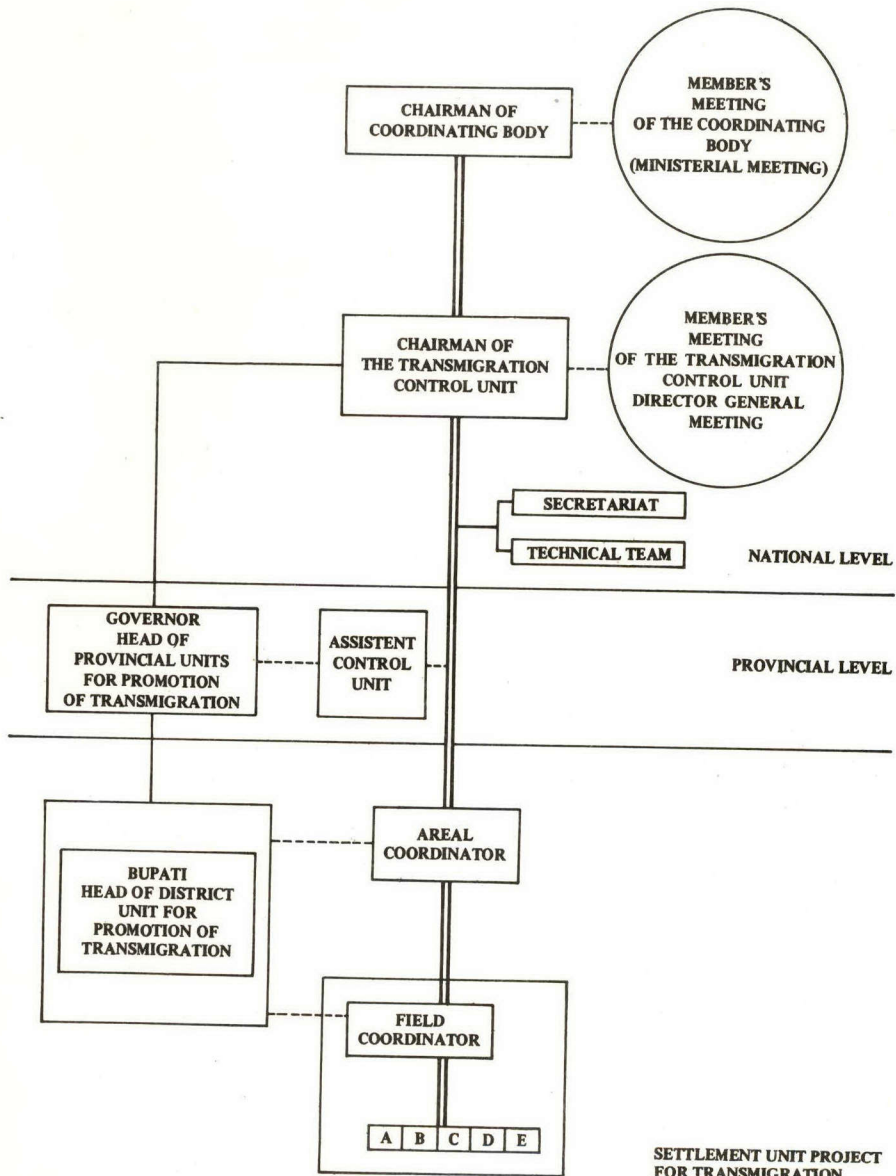
This Presidential Decree becomes valid upon the date of decree.

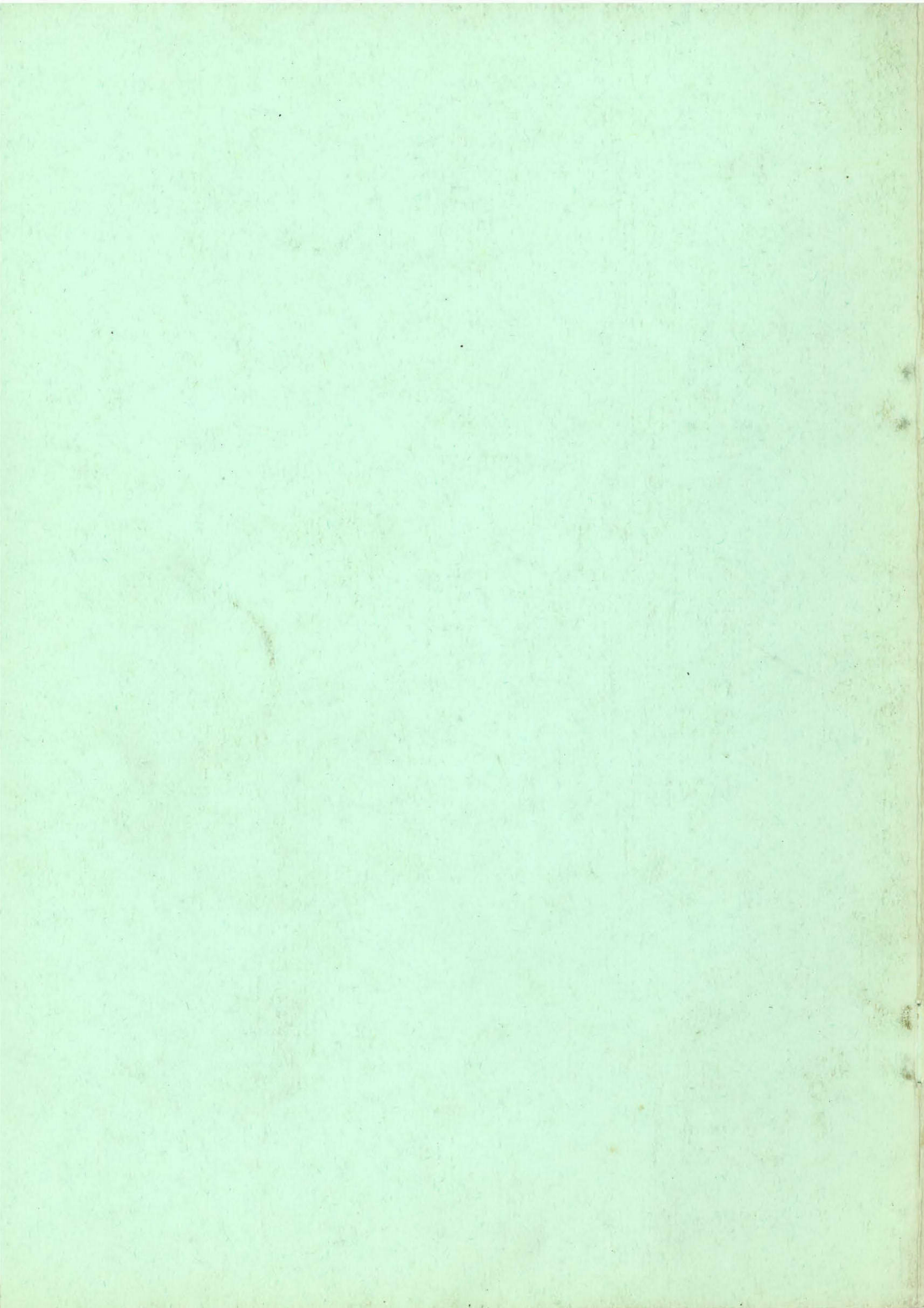
Decreed in : Jakarta
On : 31 August, 1978
President of the Republic of
Indonesia,

(signed)

SOEHARTO

**ORGANISATIONAL CHART OF
THE COORDINATING BODY FOR THE IMPLEMENTATION
OF TRANSMIGRATION**







GOVERNMENT REGULATION

NUMBER 42, 1973

concerning

THE IMPLEMENTATION OF TRANSMIGRATION

**DIRECTORATE GENERAL OF TRANSMIGRATION
DEPARTMENT OF MAN POWER, TRANSMIGRATION AND
CO-OPERATIVE**



GOVERNMENT REGULATION

NUMBER 42, 1973

concerning

THE IMPLEMENTATION OF TRANSMIGRATION

**MILIK
PERPUSTAKAAN
DEPARTEMEN TRANSMIGRASI**

**DIRECTORATE GENERAL OF TRANSMIGRATION
DEPARTMENT OF MAN POWER, TRANSMIGRATION AND
CO-OPERATIVE**

**THE PRESIDENT OF
THE REPUBLIC OF INDONESIA**

having considered:

that, as the implementation of and follow-up to Statute No. 3 of 1972 concerning the Basic Stipulations for Transmigration, there is need for a Government Regulation concerning the Implementation of Transmigration, and

bearing in mind:

1. Clause 5, section (2) of the 1945 Constitution,
2. Statute No. 5 of 1960, concerning the Basic Agrarian Act (Statute Book of the Republic of Indonesia, 1960, No. 104),
3. Statute No. 5 of 1967, concerning Basic Forestry Stipulations (Statute Book of the Republic of Indonesia, 1967, No. 8: Addition to the Statute Book, No. 2823),
4. Statute No. 12 of 1967 concerning the Basis for Co-operatives (Statute Book, of the Republic of Indonesia 1967, No. 23; Addition to the Statute Book, No. 2832),
5. Statute No. 3 of 1972, concerning the Basic Stipulations for Transmigration (Statute Book of the Republic of Indonesia 1967, No. 23; Addition to the Statute Book No. 2988).

HAS DECIDED TO

**decree: A GOVERNMENT REGULATION CONCERNING
THE IMPLEMENTATION OF TRANSMIGRATION.**

CHAPTER I
GENERAL STIPULATIONS
Clause 1

In this Government Regulation, the follow interpretations are intended:

- a. The Government is the Government of the Republic of Indonesia;
- b. The Minister is the minister to whom matters connected with the implementation of transmigration have been entrusted;
- c. A Transmigration Project includes all activities in the implementation of transmigration as intended in Clause 1 of Statute No. 3, 1972, concerning the Basic Stipulations for Transmigration;
- d. The Transmigration Authority is the Government, in this instance the Minister/Department entrusted with the implementation of transmigration;
- e. The Transmigration Executive is the Government agency or private body that carries out transmigration.

CHAPTER II
TRANSMIGRATION PROJECTS
Clause 2

The definition of any Transmigration Project, including determination of the kind of transmigration involved, authority and execution, is fixed by a Ministerial Decision.

Clause 3

- (1) The Minister decides the precise time for the opening of a Transmigration Project.
- (2) During the implementation of a Transmigration Project, responsibility for the project remains in the hands of the Minister.
- (3) The Minister transfers the Transmigration Project to the

Minister for Home Affairs after implementation is concluded.

CHAPTER III
KINDS OF TRANSMIGRATION
Clause 4

- (1) Transmigration can take the form of:
 - a. General Transmigration;
 - b. Independent Transmigration.
- (2) General Transmigration is transmigration wherein finance for implementation is the Government's responsibility;
- (3) Independent Transmigration is transmigration wherein finance for implementation is the responsibility of the transmigrant concerned or of some other non-Government party.

CHAPTER IV
IMPLEMENTATION OF TRANSMIGRATION
Clause 5

Implementation of transmigration is carried out by the Government, in this instance the Minister/Department to whom transmigration affairs have been entrusted at both the central and the provincial levels.

Clause 6

The outlining of policies, regulation and supervision of the implementation of transmigration is arranged further by the Minister.

CHAPTER V
EXECUTION OF TRANSMIGRATION
Clause 7

Transmigration is carried out by Government agencies or private bodies, or by Government agencies and private bodies working together in conjunction.

Clause 8

- (1) Transmigration must be carried out in an integrated and co-ordinated way with Departments and/or agencies that are connected with the execution of transmigration.
- (2) Integration and co-ordination for every action or series of actions in the execution of transmigration, as intended in section (1) of this clause, are further determined by a Ministerial Decision, or by a Common Decision made by the Minister and other Ministers concerned.

CHAPTER VI AUTHORITY AND RESPONSIBILITY FOR THE IMPLEMENTATION OF TRANSMIGRATION

Clause 9

Authority and responsibility for the implementation of transmigration covers all activities involved in the carrying out of transmigration, from the beginning to the end, in both the Area of Origin and the Transmigration Area.

Clause 10

- (1) Government agencies and private bodies that, in the carrying out of their own tasks, have some connection with the implementation of transmigration, must ensure co-ordination with the agency that forms the Transmigration Authority.
- (2) Government agencies and private bodies that are connected with the implementation of transmigration as referred to in section (1) of this clause are responsible to the Minister.

CHAPTER VII TASKS AND RESPONSIBILITIES OF THE TRANSMIGRATION EXECUTIVE

Clause 11

- (1) The Transmigration Executive has the task of carrying out activities that are connected with the implementation of transmigration, in both the Area of Origin and the Transmigration Area, as regulated further by the Minister.

- (2) **The tasks and responsibilities of the Transmigration Executive referred to in section (1) of this clause are contained in the Letter of Agreement or Letter of Permission for the Implementation of Transmigration, as intended in Chapter IX of this Government Regulation.**

Clause 12

In the carrying out of activities referred to in Clause 11 of this Government Regulation, the Transmigration Executive is responsible to the Minister.

Clause 13

The tasks and responsibilities of the Transmigration Executive as intended in Clauses 11 and 12 of this Government Regulation cannot be given or transferred to others without the approval of the Minister.

**CHAPTER VIII
ORGANIZATION**

Clause 14

- (1) To facilitate the implementation of transmigration if it is considered necessary, the Minister can form a Body, Committee or Team in accordance with the needs and in accordance with existing stipulations, as an organ to implement transmigration.
- (2) The Minister makes further arrangements about the tasks, authority, responsibilities and working relations of the Body, Committee or Team referred to in section (1) of this clause.

**CHAPTER IX
APPROVAL AND PERMISSION FOR THE
IMPLEMENTATION OF TRANSMIGRATION**

Clause 15

Implementation of transmigration must be accompanied by the approval or permission of the Minister.

Clause 16

- (1) Government bodies that intend to carry out transmigration are obliged to put forward a request to the Minister for approval.
- (2) Every private individual or body that intends to carry out transmigration is obliged to put forward a request to the Minister for permission, via the transmigration agency in the local area.

Clause 17

Any request put forward for approval or permission as intended in Clause 16 of this Government Regulation must conform fully with conditions that are laid down by the Minister.

Clause 18

- (1) On a basis of the request for approval or permission as intended in Clause 16 of this Government Regulation, an inspection and evaluation is made of the place for the transmigration project in question implementation of this inspection and evaluation is to be further regulated by a Ministerial Decision.
- (2) The Minister issues a Letter of Decision concerning the acceptance or rejection of the request for approval or permission, on a basis of the results of the local inspection and evaluation, as intended in section (1) of this clause.
- (3) The rejection of a request for permission or approval is to be accompanied by reasons for that rejection.

Clause 19

The Minister decides the directives that must be observed by the body or person to whom approval or permission is given for the implementation of transmigration.

Clause 20

- (1) Approval or permission for the implementation of transmi-

gration is valid for a period of five (5) years.

- (2) Neither approval or permission as intended in section (1) of this clause may be transferred to other hands.
- (3) The approval or permission referred to in section (1) of this clause can be extended if a request is made to the Minister and if the Minister considers such an extension necessary.

Clause 21

- (1) The Minister can abrogate approval or permission for the implementation of transmigration before the period of five years elapses, if the person/body to whom approval or permission has been given infringes the regulations or stipulations or conditions that have been laid down.
- (2) The settling of consequences that arise because of such abrogation as intended in section (1) of this clause is to be further handled by the Minister.

CHAPTER X SUPERVISION

Clause 22

- (1) Supervision of the implementation and execution of transmigration is the responsibility of the Minister.
- (2) Methods of supervision, as referred to in section (1) of this clause are to be arranged by the Minister.

CHAPTER XI FINANCE

Clause 23

- (1) Finance for the implementation of transmigration can come from the Government, from the community and/or from other funds.
- (2) The use of funds as intended in section (1) of this clause

is decided upon by the Minister.

Clause 24

Integration and co-ordination in finances as intended in Clause 23 of this Government Regulation is arranged in a functional way by the officials concerned and is further decided upon by a Ministerial Decision or by a Common Decision made by the Minister and other Ministers concerned.

CHAPTER XII CONDITIONS FOR TRANSMIGRANTS

Clause 25

To become a transmigrant, a person is obliged to meet the following conditions:

- a. a citizen of the Republic of Indonesia
- b. good behaviour
- c. in good physical condition
- d. voluntary in nature
- e. capable and skilful in work
- f. willing to comply with and to obey the regulations for the implementation of transmigration.

Clause 26

In the interests of ensuring order and smoothness in the observance of the conditions intended in Clause 25 of this Government Regulation, the agency to which transmigration affairs are entrusted is obliged to carry out:

- a. information and extension services
- b. registration
- c. selection.

Clause 27

Implementation of Clause 25 and 26 of this Government Regulation is to be further arranged by a Ministerial Decision.

CHAPTER XIII

Clause 28

- (1) Transmigrants who are farmers have the right to obtain at least two (2) hectares of land to be used as follows:
 - a. $\frac{1}{4}$ (one quarter) of a hectare for a house and home garden;
 - b. $1\frac{3}{4}$ (one and three-quarters) hectares for dry and/or irrigated fields
- (2) Transmigrants who are not farmers have the right to obtain at least $\frac{1}{4}$ (one quarter) of a hectare, to be used for a house and home garden.

Clause 29

Transmigrants who are farmers can obtain more than two hectares of land as long as existing agrarian stipulations are fulfilled, the persons concerned have the capacity to work the land, and the kinds of undertakings carried out and the use of the land are determined by the Minister.

Clause 30

A transmigrant's right to land is determined in accordance with existing Agrarian Regulations.

Clause 31

The cost of registration and completion of matters connected with obtaining right to land is to be born by the transmigrant concerned, except where the Government decrees otherwise.

Clause 32

- (1) Every head of a general transmigration family has the right to obtain one (1) house for himself and his family.
- (2) Every transmigrant has the right to use public facilities that are provided in the transmigration project concerned.

Clause 33

A transmigrant and his family have the right to obtain health and education security as well as a guarantee of livelihood in the form of food.

Clause 34

Implementation of Clauses 28, 29, 31, 32 and 33 of this Government Regulation is further arranged by a Ministerial Decree.

Clause 35

A transmigrant is obliged to help in maintaining order in the transmigration project concerned.

Clause 36.

A transmigrant is obliged to help care for all facilities that are provided and to help develop the transmigration project concerned, both in the collective and in the individual senses.

Clause 37

A transmigrant is obliged to repay a part of the finance made available by the Government, the amount and method of repayment are to be regulated by a Ministerial Decision.

**CHAPTER XIV
CRIMINAL STIPULATIONS**

Clause 38

Any person or body carrying out transmigration without the permission/approval of the Minister in subject to the stipulations contained in Clause 16 of Statute No. 3, 1972, concerning the Basic Stipulations for Transmigration.

**CHAPTER XV
TRANSITIONAL STIPULATIONS**

Clause 39

- (1) Transmigration carried out for a period of more than five years before the ratification of the Basic Transmigration

Act is declared to have lost its status as a transmigration project from the time of issue of this Government Regulation.

- (2) The body/person carrying out transmigration as intended in section (1) of this clause must, within a period of one year from the date of issue of this Government Regulation, give a report of his responsibilities to the Minister or to the official appointed for that purpose.

Clause 40

- (1) In the case of transmigration carried out in the five-year period before the ratification of the Basic Transmigration Act and still in process of implementation at the time of issue of this Government Regulation, the transmigration executive concerned is obliged to give a report of all activities to the Minister or to the official appointed for that purpose.
- (2) The report of activities as intended in section (1) of this clause, if given by a private executive must be accompanied by a request to continue such transmigration activities.
- (3) The stipulations concerning permission to carry out transmigration, as intended in Clauses 15 and 16 of this Government Regulation apply also for requests for permission as intended in section (2) of this clause.
- (4) The report of activities as intended in section (1) and the request as intended in section (2) of this clause must be forwarded to the Minister or to the official appointed for that purpose within one year at the latest from the date of issue of this Government Regulation.

Clause 41

On a basis of the report and request for permission as intended in Clause 40 of this Government Regulation, the Minister or official who is appointed for that purpose examines

and evaluates the report and investigates the Transmigration Project, and then considers whether or not the report and/or request for permission can be accepted.

Clause 42

- (1) While the request for permission is still being examined and evaluated as intended in Clause 41 of this Government Regulation, all transmigration activities that are carried out by the Government agency continue as usual, with the obligation of giving a report at the end of every month concerning activities to the Minister or the official appointed for that purpose.
- (2) While the request for permission is still being examined and evaluated, new transmigration activities carried out by a private body are to be postponed, except where the Minister should decide otherwise.
- (3) During the period of examination and evaluation, the transmigration executive must give his assistance.

Clause 43

Within a period of three months at the latest after a request for permission and the required report are received by the Minister or official appointed for that purpose, the Minister issues a Letter of Decision that states whether or not the implementation of transmigration as intended in Clause 40 of this Government Regulation can be continued.

Clause 44

Problems connected with land and with compensation as intended in Clause 25 of the Act concerning the Basic Stipulations for Transmigration are to be solved together by the Minister and the Minister for Home Affairs.

**CHAPTER XVI
CLOSING STIPULATIONS**

Clause 45

This Government Regulation becomes valid on the day of ratification.

So that every person may know of the ratification of this Government Regulation, it is to be placed in the Statute Book of the Republic of Indonesia.

Decreed in Jakarta,
on 28 November, 1973.

**PRESIDENT OF THE REPUBLIC
OF INDONESIA,**

(signed)

S O E H A R T O

**GENERAL OF THE
INDONESIAN NATIONAL ARMY**

Ratified in Jakarta,
on 28 November 1973
**MINISTER/SECRETARY OF
STATE,**

signed

SUDHARMONO, SH

**MAJOR-GENERAL OF THE
INDONESIAN NATIONAL ARMY**

**STATUTE BOOK OF THE REPUBLIC OF INDONESIA, 1973,
NUMBER 52**

**CLARIFICATION OF THE
GOVERNMENT REGULATION OF THE REPUBLIC
OF INDONESIA
No. 42, 1973,
CONCERNING
THE IMPLEMENTATION OF TRANSMIGRATION**

I. GENERAL EXPLANATION:

Transmigration forms a part of national development to such an extent that its implementation cannot be separated from the scope of that national development.

The activities involved in the implementation of transmigration are spread throughout the whole of Indonesia, that is, in both Areas of Origin and Transmigration Areas, and so in essence transmigration forms a part of regional development.

The implementation of transmigration is directed towards assisting in the success of regional development, particularly in the field of agricultural development. The aim is to form inter-related development centres as development areas so that economic growth will follow and this in turn will provide the necessary pull-factor to attract independent transmigrants; with such economic growth, community income and welfare will be increased, which will mean that transmigration is basically helping to increase human values.

On the whole, the people who move under transmigration are those in a weak socio-economic position and those experiencing poverty and want; most are farmers, with or without land, in rural areas. Such farmers are found in most cases in densely populated areas. A situation of this kind brings advantages to no one, particularly if the aspect of overall national development is considered. To overcome the problem, one way is to improve methods of implementing transmigration.

The stipulations contained in this Government Regulation give further regulations to assist, to guide and to provide both protection and orientation so that rational and efficient transmigration can be properly carried out.

To achieve the best results in the implementation of transmigration in the provinces there is need for co-ordination, integration, synchronisation and simplification between the

agencies concerned that have some connection with the implementation of transmigration, these agencies being responsible to the Governors of the province concerned for the implementation of such co-ordination.

In addition, in actual implementation transmigration must give attention to and must adapt itself to the stipulations of other existing statutes, for example, in the field of matters related to land regulations, adaptations must be made to Statute No.5 of 1960 concerning the Basic Agrarian Act and Statute No.5 of 1967 concerning the Basic Forestry Stipulations, and so on. Furthermore, in the selection of sites for Transmigration Projects, attention must be given to factors that will ensure the success of the project concerned.

The actual implementation of transmigration is not just the responsibility of the Government alone; rather, must the Indonesian nation participate, so that the community too play a part in making a success of transmigration and in consequently enjoying the benefit accruing from the establishments of transmigration projects, that is, in having the right to make use of the public facilities that are provided.

II. CLAUSE BY CLAUSE

Clause 1 — sufficiently clear

Clause 2 — sufficiently clear

Clause 3

Section (1) —sufficiently clear

Section (2) — The concentration of responsibility in the hands of the Minister to whom the implementation of transmigration has been entrusted while the Project is being carried out is important, in order to ensure smoothness in implementation and to prevent any digressions from policies already laid down.

Section (3) — The intention in this section is that when implementation of a Project is completed, responsibility for further guidance is handed over to the Ministers for Home affairs.

Clause 4 — all sections sufficiently clear

Clause 5 — sufficiently clear

Clause 6 — sufficiently clear

Clause 7

The stipulation contained in this clause is intended to convey the meaning that the implementation of transmigration is not the monopoly of the Government; rather is an opportunity given to private parties that can themselves carry out transmigration or else work together with the Government in doing so, without overlooking the basic policies already outlined by the Government.

Clause 8 — sections (1) and (2)

Transmigration does not stand alone but is interlinked with other fields of development; hence it is desirable that, in so far as it is possible, the Government should, in planning undertakings in the field of development, adjust those plans to the establishment of transmigration projects, for development in all fields will to a certain extent involve the problem of labour that cannot be utilized in the Areas of Origin, for example where land is severely eroded, but can be well utilized in other more fertile areas where there is a lack of manpower. Furthermore, the development program places emphasis upon the field of agriculture, including plantations.

Government programmes in the field of reduction of population density and the extension of employment opportunities will always be linked with the implementation of transmigration.

Clause 9 — sufficiently clear

Clause 10 — sections (1) and (2)

In the interests of making a success of national development, both Government agencies and private bodies, in carrying out tasks that have some connection with transmigration, must establish co-ordination and integration with the Agency for Implementation of transmigration. That is, the local Representative or Office of the Department of Manpower, Transmigration and Co-operatives in the technical and financial fields so that there can be unity of ideas and actions in the implementation of transmigration.

This is important to prevent any divergence in the implementation of transmigration that could finally be to the disadvantage of transmigrants.

Clause 11 sections (1) and (2) sufficiently clear

Clause 12 – sufficiently clear

Clause 13

The stipulation in this clause is important in preventing any side-stepping or refusal to accept responsibility, if it should happen that the transmigration executive cannot carry out his tasks and responsibilities properly.

Clause 14 – section (1)

If hindrances arise that are difficult to overcome and disturb the smooth implementation of transmigration, a Body/Committee/Team can be formed to assist in matters of an internal or external nature in the implementation referred to. In cases where this Body/Committee/Team is external in nature, efforts must be made to ensure that there is co-ordination and integration with other parties, outside the transmigration agency.

Section(2) – sufficiently clear

Clause 15 – sufficiently clear

Clause 16 – sections (1) and (2) sufficiently clear

Clause 17 – sufficiently clear

Clause 18 – sections (1), (2) and (3) sufficiently clear

Clause 19 – sufficiently clear

Clause 20 – section (1) sufficiently clear

section (2)

The stipulation in this section is intended to give proper protection to the implementation of transmigration, and in particular to the transmigrant.

section (3) sufficiently clear

Clause 21 – sections (1) and (2)

sufficiently clear

Clause 22 – sections (1) and (2) sufficiently clear

Clause 23

section (1) — The intention of the stipulation in this section is that with these kinds of transmigration, that is, General Transmigration and Independent Transmigration, the cost of implementation of transmigration is the responsibility of the Government or of some other non-Governmental party or of some private party.

Section (2) — The finances coming from funds here referred to can come from within the country or from abroad, and the use of these funds is to be fixed by the Minister.

Clause 24 — sufficiently clear

Clause 25 — sufficiently clear

Clause 26 — sufficiently clear

Clause 27 — sufficiently clear

Clause 28 — sections (1) and (2) sufficiently clear

Clause 29 — sufficiently clear

Clause 30 — sufficiently clear

Clause 31 — sufficiently clear

Clause 32 — section (1) sufficiently clear

section (2) — By "public facilities" as used in this clause are meant schools, markets, policlinics, places of worship, village meeting halls and the like.

Clause 33

Help and security in the fields of health, education and food, as given to a transmigrant and his family, are intended to assist in enabling him to form a new community which, it is hoped, can have a higher standard of living than that in the area from which the immigrant came.

Clause 34 — sufficiently clear

Clause 35 — sufficiently clear

Clause 36 — sufficiently clear

Clause 37

The stipulation in this clause regulates the amount and the methods of repayment of part of the money paid out by the Government for the transmigrant; these aspects will be further regulated by the Minister for Manpower, Transmigration and Co-operatives. The amount to be repaid and the

methods of repayment will be such that there is no burden upon the transmigrant.

Clause 38

The stipulation of criminal action contained in this clause is intended to ensure that the party carrying out transmigration performs all tasks and obligations in a responsible way, so that transmigration can run smoothly and can support Government programmes in the field of development.

Clause 39

section (1) — Transmigration, as intended in this clause, is transmigration carried out before 28 July 1967, because 28 July 1972 is the date of ratification of the Basic Transmigration Act, No. 3 of 1972 concerning the Basic Stipulations for Transmigration. The status of a "transferred project" arises after the executive has given an account of his responsibilities to the Minister at the latest within one year after the issue of this Government Regulation.

section (2) — With the abolition of project status, transfer of the transmigration area concerned to the Minister for Home Affairs must be made as soon as possible

Clause 40

section (1) — This section is meant to refer to transmigration carried out in the period between 28 July 1967 and 28 July 1972, when the Basic Transmigration Act concerning the Basic Stipulations for Transmigration was ratified.

section (2) — A request for permission to continue transmigration activities has the same value as permission to carry out transmigration. For that reason, in addition to forwarding a report of all activities that have already been carried out, the transmigration executive is obliged to put forward a request for permission to continue transmigration undertakings, accompanied by plans for future activities.

section (3) — In putting forward a request for permission to

continue transmigration activities, the party concerned must fulfill the same conditions as those for making a completely new request for permission. This is necessary because the Government must know as much as possible about the real situation of the project concerned, so as to be able to give directives and extension services as required.

section (4) — sufficiently clear

Clause 41 — sufficiently clear

Clause 42

section (1) — The report intended herein is a routine report that will enable the Minister to know the progress being made in the implementation of the transmigration in question. This is necessary as material for the giving of directives where required, whether they are asked for or not by the party carrying out the transmigration project.

section (2) — sufficiently clear

section (3) — The assistance referred to takes the form of information or explanations and also data required by the official responsible for examination.

Clause 43 — sufficiently clear

Clause 44 — sufficiently clear

Clause 45 — sufficiently clear

ADDITION TO THE STATUTE BOOK OF THE REPUBLIC OF
INDONESIA — NUMBER 3016

PENTRANS 030 – 77

**DIRECTORATE GENERAL OF TRANSMIGRATION
JL. LET. JEN. HARYONO M.T. (CIKOKO)
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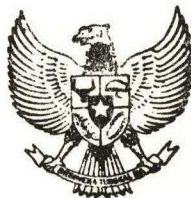


THE REPUBLIC OF INDONESIA

STATUTE No. 3, 1972

**CONCERNING
THE BASIC STIPULATIONS
FOR TRANSMIGRATION**

**DIRECTORATE GENERAL OF TRANSMIGRATION
DEPARTMENT OF MAN POWER, TRANSMIGRATION AND
CO-OPERATIVE**



THE REPUBLIC OF INDONESIA

STATUTE No. 3, 1972

**CONCERNING
THE BASIC STIPULATIONS
FOR TRANSMIGRATION**

**DIRECTORATE GENERAL OF TRANSMIGRATION
DEPARTMENT OF MAN POWER, TRANSMIGRATION AND
CO-OPERATIVE**

**BY THE GRACE OF ALMIGHTY GOD,
THE PRESIDENT OF
THE REPUBLIC OF INDONESIA,**

having taken into consideration the fact:

- a. that with the increase in population and the lack of balance in distribution of population, in comparison with both available employment opportunities and the potential offered by natural resources In Indonesia, there is need for the implementation of transmigration, which represents a national responsibility as one course towards successful development, security and national unity;
- b. that to implement transmigration there is need for basic stipulations that are in accordance with the spirit and enthusiasm of Panca Sila and the 1945 Constitution and take the form of a Statute;
- c. that Statute Number 29 of 1960 concerning the basis for the Implementation of Transmigration and Statute Number 5 of 1965, concerning the National Transmigration Movement are no longer appropriate to the expansion of both national and regional development and hence must be revoked;

and bearing in mind :

1. Clause 5 paragraph (1), Clause 20 paragraph (1), Clause 27 paragraph (2), Clause 30 paragraph (1) and Clause 33 paragraph (3) of the 1945 Constitution;
2. the Decree of the Provisional People's Deliberative Assembly of the Republic of Indonesia, no. XXIII/MPRS/1966 concerning the Renewal of Policies Underlying Economic, Monetary and Developmental Matters;
3. e Decree of the Provisional People's Deliberative Assembly of

- the Republic of Indonesia, no. XXIV/MPRS/1966 concerning Policy in the field of Defence and Security;
4. the Decree of the Provisional People's Deliberative Assembly of the Republic of Indonesia, no. XXVIII/MPRS/1966 concerning Policy in Improving the Welfare of the People;
 5. Statute no.5 of 1960 concerning Basic Agrarian Regulations (State Statute Book, 1960, no. 104, and Supplement to the Statute Book, no. 2043);
 6. Statute no. 12 of 1967 concerning the Bases of the Co-operative Movement (State Statute Book, 1967, no. 23, and Supplement to the Statute Book, no.2832);

With the agreement of the People's Representative Council of the Republic of Indonesia;

HAS DECIDED TO:

revoke :

1. Statute no. 29 of 1960 concerning the basis for the Implementation of Transmigration (State Statute Book of the Republic of Indonesia, 1960, no.86) in conjunction with Statute no. 1, 1961;
2. Statute no. 5 of 1965 concerning the National Transmigration Movement (State Statute Book of the Republic of Indonesia, 1965, no.33) in conjunction with Statute no.5 of 1969,

and decree :

THE STATUTE CONCERNING THE BASIC STIPULATIONS FOR TRANSMIGRATION.

**CHAPTER I
BASIC STIPULATIONS**

Clause 1

In this Statute, the following meanings are intended:

- a. Transmigration is the removal and/or transfer of population from one area to settle in another area determined upon within the territory of the Republic of Indonesia, in the

interests of the development of the country, or for other reasons considered necessary by the Government, on a basis of the stipulations made within this Statute;

- b. A transmigrant is every citizen of the Republic of Indonesia who in a voluntary way is transferred or moves, in accordance with the interpretation intended in point (a) of this Clause;
- c. A transmigration area is an area decided upon for the settlement of transmigrants;
- d. An area of origin is an area decided upon from which prospective transmigrants are removed or move;
- e. transmigration project means the whole activity involved in the implementation of transmigration;
- f. The Minister is the minister to whom matters concerning the implementation of transmigration are entrusted.

CHAPTER II GENERAL TRANSMIGRATION POLICY

Clause 2

The target in general transmigration policy is the implementation of organised, self-motivated (spontaneous) transmigration on a large scale to achieve:

- a. an improvement in living standards
- b. regional development
- c. a balanced distribution of population;
- d. equally distributed development throughout Indonesia
- e. beneficial use of natural and human resources
- f. national union and unity
- g. a strengthening of national defence and security.

Clause 3

- (1). Policy in the implementation of transmigration involves primarily the prosperity of the people, attention being given

- to:
- a. humanitarianism
 - b. justice
 - c. the family spirit
 - d. self-help, self-activity and self-supporting undertakings among the community;
- (2). Implementation of transmigration policies is further regulated in Government Regulations that are based upon the stipulations in this Statute.

CHAPTER III ORGANIZATION

Clause 4

The arrangement, tasks, competence and responsibilities of the organization to implement transmigration are to be determined further by Government Regulations.

Clause 5

- (1) The implementation of transmigration by Government bodies outside that referred to in Clause 4 of this Statute can be done after the agreement of the Minister is obtained;
- (2) The implementation of transmigration outside what is referred to in point (1) of this Clause requires a letter of permission from the Minister.

CHAPTER IV FINANCING

Clause 6

- (1) Finance for the implementation of transmigration as carried out by the Government is basically obtained from the State Budget;
- (2) Finance for the implementation of transmigration is in keeping with the different kinds of transmigration.

CHAPTER V
THE RIGHTS AND OBLIGATIONS OF TRANSMIGRANTS

Clause 7

A transmigrant has the right to obtain horticultural land and/or agricultural land with rights to that land in accordance with prevailing stipulations.

Clause 8

The rights of a transmigrant to obtain assistance, guidance and constructive help are regulated by Government Regulations.

Clause 9

A transmigrant is obliged to obey all regulations valid for the implementation of transmigration.

CHAPTER VI
AREAS OF ORIGIN AND TRANSMIGRATION AREAS

Clause 10

On a basis of social, economic and defence-security considerations, and also upon a recommendation from the Minister, an area from which it is considered necessary to transfer population can be declared to be an Area of Origin by Presidential decree

Clause 11

- (1) On a basis of social, economic and defence security considerations and also upon a recommendation from the Minister, an area that is considered necessary and suitable for the settlement of transmigrants can be declared to be a Transmigration Area by Presidential Decree.
- (2) A Transmigration Area as referred to in point (1) above must be freed from all rights that exist to it by the Minister entrusted with agrarian affairs and he must thereupon give management rights for the land to the Minister.
- (3) As a consequence of the release of such land as referred to

in point (2) of this Clause, compensation can be given to those entitled to receive it, in accordance with prevailing stipulations.

Clause 12

- (1) Within a period of five years at the latest, counting from the date of decree, the area referred to in point (1) of Clause 11 of this Statute must already be opened up for the settlement of transmigrants or for other purposes that are connected with the implementation of transmigration;
- (2) If a Transmigration area, within the period fixed in point (1) of this Clause, has not been used as it should have been, then its status as a Transmigration Area changes and the area becomes land under the direct control of the State.

Clause 13

The local inhabitants are given the opportunity to move voluntarily to the Transmigration Area and in principle are treated as transmigrants.

Clause 14

Guidance and expansion of a community in a Transmigration Area is synchronized with the Blueprint for Village Community Development:

- a. in the economic sphere it is directed towards the attainment of a self-supporting level of economic life that is based upon the principles of the co-operative movement;
- b. in the socio-cultural sphere it is directed towards the attainment of total assimilation and integration;
- c. in the mental and spiritual sphere it is directed towards the development of human beings who are devoted to God Almighty.

Clause 15

- (1) While giving attention to socio-economic factors within the communities in a Transmigration Area and also to considerations put forward by the Regional Government (Level I) concerned, the Minister shall, within a period of five years counting from the time of settlement, transfer the

- management of the whole or a part of Transmigration Project to the Minister for Domestic Affairs;
- (2) From the time of transfer, of a Transmigration Project as referred to in point (1) of this Clause, the status of the people as transmigrants and of the settlement as a Transmigration Projects will be done away with.

CHAPTER VII CRIMINAL STIPULATIONS

Clause 16

Any person who carries out transmigration without the permission/approval of the Minister shall be punished:

1. by imprisonment of one month and/or a fine of Rp.100,000 at the maximum.
2. by imprisonment for nine months and/or a maximum fine of Rp.500,000, if the action should also involve a transgression of the stipulations contained in Clauses 7 and 8 of this Statute.

Clause 17

Any person who possesses, or on a basis of, permission/approval from the Minister to carry out transmigration, but intentionally does not give horticultural or agricultural land, or the assistance or guidance or other rights governed by the stipulations in Clauses 7 and 8 of this Statute, is subject to a punishment of six months' imprisonment and/or maximum fine of Rp.300,000. (maximum).

Clause 18

Any person who intentionally obstructs the implementation of transmigration, thus giving rise to losses on the part of transmigrants or of those implementing transmigration, is subject to six months imprisonment and/or a maximum fine of Rp.300,000.

Clause 19

Any person who, because of an oversight, causes insecurity or suffering to the transmigrants and their families is subject to

one month imprisonment and/or a maximum fine of Rp.100,000.

Clause 20

In cases where the transgressions referred to in Clauses 16, 17, 18 and 19 of this Statute are carried out by a legally set-up body, the punishment falls upon the members of the managing board.

Clause 21

Government Regulations, as the further implementation of this Statute, can carry with them criminal sanctions in the form of a months imprisonment and/or a maximum fine of Rp.100,000.

Clause 22

Transgressions as referred to in Clauses 16, 17, 18, 19, 20 and 21 are regarded as criminal offences.

CHAPTER VIII TRANSITIONAL STIPULATIONS

Clause 23

As long as regulations and provisions for the implementation of this Statute are not determined upon, the regulations and provisions that already exist are still valid, in so far as they do not conflict with the spirit and stipulations of this Statute.

Clause 24

Transmigration that is at present being carried out by agencies, private institutes and individuals at the moment when this Statute becomes valid is to be brought into accord, in its implementation, with the stipulations contained in this Statute, as further regulated by Government Regulations.

Clause 25

Problems that exist concerning land and compensation at the moment when this Statute becomes valid are to be solved on a basis of deliberation and the existing stipulations, and in so far as there is no conflict with the stipulations of this Statute.

**CHAPTER IX
CLOSING STIPULATIONS**

Clause 26

Matters that are not yet regulated within this Statute are to be determined later by legislation.

Clause 27

This Statute is to be referred to as the Basic Transmigration Act, and it becomes valid upon the day of enactment.

In order that every person may know of this Act, the enactment is to be made known by the placement of the Act in the Statute Book of the Republic of Indonesia.

Decreed in : Jakarta
On : 28th July, 1972

**THE PRESIDENT OF
THE REPUBLIC OF INDONESIA**

SOEHARTO
General of the Indonesian
National Army

Enacted in Jakarta,
on 28th July, 1972

State Secretary of the
Republic of Indonesia,

SUDHARMONO S.H.
Major-General of the Indonesian National Army

**STATUTE BOOK OF THE REPUBLIC OF INDONESIA, 1972
Number : 33**

**CLARIFICATION OF
STATUTE NUMBER 3, 1972,
OF THE REPUBLIC OF INDONESIA
CONCERNING
THE BASIC STIPULATIONS FOR TRANSMIGRATION**

I. GENERAL CLARIFICATION

1. The Unitary State of the Republic of Indonesia, which is free and sovereign, consists of thousands of islands, large and small and possesses both a wide territory and great natural potential. The earth and sea and the natural wealth contained therein, as a Gift from Almighty God to the People of Indonesia, must be used, according to Clause 33 paragraph (3) of the 1945 Constitution, for the greater prosperity of the people, both spiritual and material. Hence the Government and the people of Indonesia are obliged to open up, to extract and to process, as well as to develop, those natural resources, in the interests of attaining the ideals of the Indonesian Nation, that is, the creation of a just and prosperous society.
2. It is an apparent fact that the territory of the Republic of Indonesia, which is very extensive and contains great natural wealth, has a large population, but one that is not evenly distributed. It is also a fact that the increase in population, especially in Java, Madura and Bali, is not proportionate to the availability of employment opportunities. This is a pressing national problem for which a solution must be found very soon.
3. In the attempt to achieve a national and efficient balance in efforts to overcome this national problem, one course is transmigration as a means towards development that is important from the point of view of the growth of both national and regional developmental projects.
4. In actual essence transmigration faces a two-sided problem:
 - a. the problem of population distribution, that is, the

problem of achieving a more balanced and more evenly distributed population throughout Indonesian territory, and

This view carries with it the consequence that part of the dense population in some areas must be moved to other islands that are at present sparsely populated.

- b. the problem of a supply of labour, in which case transmigration represents the transfer of labour needed to carry out the development of various projects in areas where labour is in short supply.

Thus the main aim is not the achievement of an evenly and balanced distribution of population, but rather the carrying out of development of projects considered necessary for the raising of national production (for further clarification, see the clarification of Clause 2).

In the implementation of the projects referred to, transmigration is linked with efforts and activities of a developmental nature and does not stand alone. Thus transmigration undertakings provide support for regional development activities and for development projects that require workers.

The orientation of transmigration towards the development of agriculture (agro-development) as an integral part of regional development is intended to make possible the formation of development centres that are mutually interconnected as development areas; this will result in regional economic growth that will then form a pull-factor to attract self-motivated transmigrants (spontaneous migrants).

From the point of view of increasing the welfare of the people, in keeping with Clause 4, paragraphs (1) and (2) of the Decree of the Provisional People's Deliberative Assembly, Number XXVIII/MPRS/1966, transmigration represents one way to increase human values, especially in the more densely populated areas.

5. Efforts to transfer population in a planned and organized

way were begun around the beginning of the twentieth century during the period of Dutch colonial domination, when such undertakings were known by the name "colonization"; however, the reasons and the methods of implementation were not in accordance with the spirit, the ideals and the identity of the Indonesian nation.

Since Independence, the need has been felt for the transfer of population on a large scale and in an organized fashion. In connection with this need, the following Transmigration Laws were enacted:

- a. Government Regulation no. 56, 1958, concerning the Bases for Implementation of Transmigration;
- b. Statute no. 29, 1960, concerning the Bases for Implementation of Transmigration;
- c. Statute no. 5, 1965, concerning the National Transmigration Movement.

This legislation, however, is no longer in keeping with the policies outlined by the Provisional People's Deliberative Assembly of the Republic of Indonesia in its Decrees during 1966, nor with expansion in regional and national development. Hence these earlier laws must be replaced with a new Transmigration Act.

6. Policy in the actual implementation of transmigration according to this Act is based upon the following considerations:
 - a. in its connections with development of the country, the function of transmigration is to form an important means towards development, from the point of view of the expansion of both national and regional development projects.
 - b. In this case, transmigration means the supply and distribution of both labour and skills, both for the extension of production in the various regions and for the opening up of new employment opportunities.
 - c. in its connection with the development of national union and unity, in keeping with Clause 1 paragraph (1) of the 1945 Constitution, transmigration represents one means

towards the defence of our Unitary State and the development of national union and unity.

Thus the Vow of Youth made on 28th October 1928 will be made a reality: **ONE HOMELAND, ONE NATION AND ONE LANGUAGE IN INDONESIA.**

d. in its connection with national defence and security, it is in keeping with the Decree of the Provisional People's Deliberative Assembly, no. XXIV/MPRS/1966, Clause 3, paragraph 6, which goes as follows: "All the people, on a basis of obligation and honour, in keeping with their individual capacities, must take part in all defence efforts. Security beside and together with the Armed Forces is in keeping with Clause 30 of the 1945 Constitution." Thus transmigration fulfills one condition of the National Defence and Security doctrine, of the WAHANRA Doctrine and of the PARATA doctrine, by setting up centres of resistance throughout Indonesia that are each self-supporting and of mutual assistance to each other, as well as by filling empty areas, which has an important meaning for over-all popular defence.

7. The carrying out of policies involved in the implementation of transmigration:

a. Since transmigration is a national matter, the Government plays an important role in its implementation.

b. In the implementation of transmigration it is necessary to decide upon certain priorities concerning the regions from which people must be transferred. The areas that receive such priority and declared to be Areas of Origin in Transmigration.

c. For the carrying out of transmigration, there is need to decide upon Transmigration Areas. In the fixing of such Areas, attention must be given to rights existing to the land and to other things located upon the land, belonging to legal communities or individuals in the area. For transmigration settlement purposes, the Transmigration Area must already be free from any claims or any

objected upon it, so that the land and all objects or plants existing upon it can be fully under the authority of the State, ready to be handed over to the Minister for management by the minister entrusted with agrarian affairs.

Release of such land from any claims or rights is to be done in such a way that priority is given to methods in keeping with locally prevailing customs.

The local people of the area can participate in enjoyment of benefits arising from the establishment of a Transmigration Project, for example, in the use of infrastructure facilities for public interests (roads irrigation, school buildings, places of worship, village meeting-halls, polyclinics, and the like). For those who wish to live in the Transmigration Area, the right to land as intended in Clause 7 is given, together with the right to use public facilities; for those concerned, their position is that of transmigrants, which means they are obliged to observe the stipulations laid down for transmigrants (see also the clarification of Clauses 7, 8 and 14).

- d. The community in a Transmigration Area represents a community still in the process of formation; hence there is need for special guidance to be provided by the body that has competence and responsibility in implementing transmigration, which involves co-ordinated undertakings carried out together with the Regional Government and technical bodies. Such guidance is to be carried out in stages, covering:

the settlement stage, where, among other things, some guarantee of a livelihood must be given, along with health and education guarantees in the early phases,

the land-expansion stage, where land usage is directed towards modern and commercial farming; and the

the community development stage, wherein development of the village community follows the Blue-print for Village Community Development.

The aim is for these stages all to be completed within about five years, after which time the socio-economic level of the transmigration village community should be

such that further management and responsibility can be handed over by the Minister to the Minister for Domestic Affairs, which in this instance means the local Regional Government in the province concerned; after that, guidance of the community is the responsibility of the Regional Government.

- e. Since transmigration is a national matter, all actions that obstruct or impede its implementation cannot be justified and are therefore liable to sanctions and criminal charges where necessary.

II. CLARIFICATION CLAUSE BY CLAUSE

Clause 1

In this Clause the interpretation of terms involved in transmigration, as used in this Statute, is given; the same terms and interpretations are to be used in general in all legislation concerning transmigration.

- a. The interpretation of transmigration here only takes in the removal of people from one area to settle permanently in another area within the territory of Indonesia, as further defined within the stipulations of this Statute.
Included in this interpretation is the removal of people in the interests of development, because of natural disasters, and for other reasons regarded as necessary by the Government. Thus any transfer of people from one area to another, if it is not regulated in accordance with the stipulations of this Statute, is not transmigration.
- b. The element of voluntary willingness is always to be given attention, even in the case of people who have suffered from natural disasters. In this case any suggestion of compulsion must be completely avoided.
- c. this point and (d) also are sufficiently clear
- d. The term "the whole activity" in reference to a Transmigration Project is intended to cover activities in the Area of Origin and in the Transmigration Settlement Area. Activities in the Area of Origin include:

surveys, information, extension services, selection, mobilisation, reception and transportation of transmigrants.

Activities in the Settlement Area include:

surveys, land-measuring and mapping, land clearance, sub-division into lots, preparation of infrastructure, guarantee of a living, guidance and expansion.

- e. The meaning contained here is that the Minister concerned is the Minister who has competence to determine policy and its execution, including the actual implementation of transmigration. This interpretation points to the fact that there is only one source of commands in the carrying out of transmigration, the aim being to prevent any confusion in its implementation (see the clarification of Clause 4).

Clause 2

This Clause expresses the idea that the implementation of transmigration is not just the task and burden of the Government alone, especially in the matter of financing. This interpretation is directed at a gradual reduction of the budgetary burden carried by the Government, in the hope that finances for transmigration will be able to be made available by the community. In this way the Government will only give directions, guidance and help in, among other things, the provision of land for transmigrants and a certain amount of assistance, which will be later defined by Government Regulations.

If transmigration is to be successful on a large scale, all activities must be integrated into the different stages of national development.

Clause 3

(1) This Clause indicates the foundation and the orientation of transmigration, which has its source in Panca Sila.

(2) The Government Regulations intended here define, among other things, the Minister's competence in regulating the implementation of transmigration in the technical sense. The Minister's competence covers the following, among other things:

- a. definition of the time for opening a Transmigration Project

in connection with the settlement of transmigrants, and the handing over of the Transmigration Project and everything connected with its implementation to the Minister for Domestic Affairs (see clarification of Clause 15);

- b. definition of the conditions for a person to become a transmigrant, including, among other things, age limits, health, skills, behaviour and other things considered necessary by the Minister;
- c. definition of the kinds of transmigration, on a basis of differences in financing and/or in the function of transmigration;
- d. definition of the area of land for a transmigrant, in the case of both horticultural (home-garden) land and agricultural land (see the clarification to Clause 7);
- e. definition of the type and kind of assistance, guidance and aid given to transmigrants, to increase their livelihood and standard of living (see the clarification to Clause 8).

Clause 4

The Government Regulations referred to in this Clause are to define the meaning of: arrangement, tasks, competence and responsibility, as applying to the one organ charged with the carrying out of transmigration, the implementation of which lies in the hands of one person, namely, the Minister.

These Government Regulations will also make a definition of co-ordination between the various Departments that are concerned with the implementation of transmigration.

Clause 5

- (1) The meaning of transmigration implemented by Government bodies outside that referred to in Clause 4 is the transmigration activities undertaken, by, for example, the Department of Domestic Affairs, of the Department of Social Welfare, or the Department of Defence and Security, after first obtaining the agreement of the Minister.

This agreement is important so that the Minister can give technical directions and there can be mutual consultations and confirmations that will lead to the successful

implementation of transmigration.

- (2) This paragraph is intended to provide an opportunity for other parties outside those referred to in paragraph (1) of this Clause, if those parties should wish to carry out transmigration undertakings, either by themselves or in a co-operative form. This requires Ministerial permission, in order that the Minister may exert control over the carrying out of transmigration, to ensure that it is in keeping with technical directions and the stipulations of this Statute, as well as the regulations for implementation, in the interests of successful execution.

The rights and obligations of those carrying out transmigration, as referred to in (1) and (2) above, will be further defined by Government Regulations.

Clause 6

- (1) The interpretation here intended includes the possibility of obtaining finances from sources outside the State Budget.
- (2) The meaning in this paragraph is that decisions about the amount of finance to be made available for the implementation of transmigration must be adjusted to the different kinds of transmigration, which are to be fixed in accordance with Government Regulations (see the clarification to Clause 3, paragraph (2)).

Clause 7

The giving of at least 2 hectares of horticultural and agricultural land to a transmigrant is in accordance with the Basic Agrarian Act concerning the minimum limit for farming land to be owned by an individual; with it goes the understanding that a piece of land larger than 2 hectares can be given, depending upon local soil conditions, the kinds and types of agricultural products (for example, export crops) and the ability to work the land. The amount of land given to transmigrants who are not farmers, as fishermen, plantation workers, industrial labourers and the like, is at least $\frac{1}{4}$ hectare for a home garden (horticulture) that is located not too far distant from their place of employment. This is important in that it gives such transmigrants some security for their old age.

The giving of horticultural and/or agricultural land to transmigrants, both farmers and non-farmers, is determined on a basis of a Ministerial Decree.

The giving of land rights to transmigrants is to be done in stages and at different levels, on a basis of the stipulations for Agrarian procedure specifically in the Transmigration Areas. This provides an educative basis to encourage transmigrants to cultivate the land actively; if the land is worked in a really productive fashion, then their right to the land can be upgraded from a lower level to a higher one, for example, from usage rights to ownership rights. Apart from that, each transmigrant receives a clear statement of the legal status of the land, as well as legal certainty and protection that will give security, permanence and stimulus to his work.

Within the five-year period, or for as long as the Transmigration Project has not been handed over to the Minister for Domestic Affairs, a transmigrant may not change or transfer the legal status of his land.

Clause 8

The terms "assistance", "guidance" and "constructive help" cover, among other things, the providing of security in life, spiritual guidance, the provision of seeds, training, equipment and tools, and also the supply of health facilities, all of which are to be further determined by Government Regulations.

Clause 9

The words "all regulations" in this Clause refer to all Government Regulations, together with regulations for their implementation.

Clause 10

In this Clause, social, economic and defence security considerations take in, among others, the following

- a. population density and limited job opportunities
- b. limitations upon farming land in extent
- c. unfavourable soil conditions
- d. the occurrence of natural disasters

The declaration of an area as an Area of Origin takes the form of a Presidential Decree because it involves the competence and the tasks of several different bodies or Departments. Competence for further implementation is fully invested in the Minister and the Minister for Domestic Affairs.

Clause 11

- (1) In this Clause, social, economic and defence security considerations take in, among other things, the following:
- a. empty land, or sparsely populated land
 - b. land still wide enough in extent for farming activities in the wide sense
 - c. the possibility of providing employment and new job opportunities for a better life
 - d. vital significance from the security point of view for the State and the Nation
 - e. other reasons considered necessary by the Government.

The declaration of an area as a Transmigration Area takes the form of a Presidential Decree because it involves the competence and the tasks of several different bodies or Departments. Competence for further implementation is fully invested in the Minister and the Minister for Domestic Affairs.

- (2) The implementation of the Decree determining an area as a Transmigration Settlement Area is done by the Minister for Domestic Affairs, and it contains the understanding intended in Clause 14 paragraph (2) of the Basic Agrarian Act.

The Minister for Domestic Affairs has competence in regulating governmental matters in the provinces, and the Regional Government in each province has competence in regulating the provision, allocation and usage of land, water and air in its territory, in keeping with conditions in each province.

- (3) The Areas for Transmigration Settlements can come from State lands or from community lands held under customary law, or from privately held lands. In so far as community or individual lands are concerned, attention must be given to existing land rights and to objects of all sorts upon that land. In such cases the

release of the land concerned is to be done in accordance with local customs and is to be finalized through common discussion and agreement (see the clarification at the beginning, number 7 c).

Clause 12

(1) and (2). It is necessary to fix this limit of five years with the understanding that if, in the times already fixed, the Transmigration Area is neglected or else is obviously not being used for transmigration purposes, its status as a Transmigration Area is revoked through law, and the land again becomes land directly controlled by the State; it can then be used for the purposes of other developmental projects.

Clause 13

See the clarification at the beginning to number 7 e.

Clause 14

The aim in guiding and expanding the Transmigration Areas is to create a new community structure that is in accordance with the Blue-print for Village Community Development:

- (a) In the economic growth of the Transmigration Area, the co-operative can be an important instrument in expanding simultaneously the fields of production and of marketing, in order to prevent or eliminate any tendency in the pattern of commerce towards the "ijon" system, whereby the things produced by transmigrants could be purchased for a very low price before actually ready for sale.

Transmigration and the co-operative movement have a unique function in that they ensure expansion in production, provide employment opportunities, lead to a rise in incomes, and give opportunities for economic undertakings; thus at the same time they help to attain the goal of economic growth and also to create better standards of living.

The formation of co-operative undertakings will help to break down farming practices that are still traditional in nature and to encourage, among the transmigrants, modern,

commercial farming methods that are in keeping with the orientation of transmigration towards agro-development. At the same time, from the social point of view the co-operative movement can function as a social infrastructure (as a catalyst and a dynamic force) in the development of the transmigrant community.

- (b) See the general clarification at the beginning, number 6 b. In actual implementation, guidance and expansion in the Transmigration Areas carried out in a co-ordinated fashion by the local Regional Government and technical bodies.
- (c) The development of human beings who are devoted to God Almighty, as mentioned in this paragraph, is to be carried out on a basis of just and civilized humanitarianism by caring for the nobility in human characters and by holding firmly to the moral ideals of noble people.

Clause 15

- (1) The management of transmigration undertakings by the Minister is only temporary in nature. Thus when the transmigrants are considered capable of fulfilling their own requirements themselves and when the community is already able to expand by virtue of its own internal strength, then, allowing for any considerations put forward by the Regional Government, further management and responsibility are transferred by the Minister to the Minister for Domestic Affairs. The period of five years refers to the period of guidance under the Minister. For further explanation, see the general clarification at the beginning, number 6 c.

- (2) sufficiently clear

Clause 16

sufficiently clear

Clause 17

sufficiently clear

Clause 18
sufficiently clear

Clause 19
sufficiently clear

Clause 20
sufficiently clear

Clause 21
The Government Regulations here intended are regulations made by the Government for the implementation of this Statute, as contained in the Clauses concerned; they can carry criminal sanctions with them as long as the actual penalties have not been determined.

Clause 22
sufficiently clear

Clause 23
sufficiently clear

Clause 24
The stipulations in this Clause are valid for any transfer of population with the intention of settling permanently in the sense intended in Clauses 1 and 5., if such a transfer is actually in process at the time when this Statute comes into force; the purpose is that such a transfer of people can then be adjusted to and can follow the stipulations contained in this Statute, the actual implementation being regulated by Government Regulations.

Clause 25
sufficiently clear

Clause 26
sufficiently clear

Clause 27
The term "basic" as used in this Clause does not, in its meaning here, refer to status.

**SUPPLEMENT TO THE STATUTE BOOK OF THE
REPUBLIC OF INDONESIA, 1972
NUMBER 2988**

PENTRANS 029 - 77

**DIRECTORATE GENERAL OF TRANSMIGRATION
JL. LET. JEN. HARYONO M.T. (CIKOKO)
P.O. Box 317
Phone: 83011 Ext. 46
JAKARTA.**

ROUTING SLIP		DATE:	
NAME		ROOM NO.	
Ms. Gloria Davis - AEPA4		F 624	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
CLEARANCE		PER OUR CONVERSATION	
COMMENT		PER YOUR REQUEST	
FOR ACTION		PREPARE REPLY	
INFORMATION		RECOMMENDATION	
INITIAL		SIGNATURE	
NOTE AND FILE		URGENT	
REMARKS:			
FROM: M.C. Zenick		ROOM NO.: RSI	EXTENSION:

OFFICE MEMORANDUM

DATE : October 31, 1984

TO: See Distribution

FROM: M.C. *M. Zenick*
Zenick

SUBJECT: Presidential Decree No. 59/1984

Attached is a copy of a new Decree dated October 16, 1984 issued by the President with respect to the coordination of Transmigration operations. The Minister of Transmigration, Martono, referred to this new Decree in the meeting he had on October 26, 1984 with Messrs. Davar, Rao, and Zenick as an indication of the increased authority that he now has to coordinate the Transmigration program.

Attachment

Distribution: Messrs. Rao, Jeurling, Price, Klempin, Mrs. Hamilton
(by fax): Messrs. Altaf Hussain, Baudelaire, Baldwin, Calderisi,
Miss Gloria Davis

File: Transmigration

MCZenick/w

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THE PRESIDENT
OF
THE REPUBLIC OF INDONESIA

DECREE OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA
NO. 59, 1984
ON
THE COORDINATION OF TRANSMIGRATION OPERATIONS

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering:
- a. that within the context of the implementation of national development, transmigration operations that are of a cross-sectoral nature need to be continuously intensified in a more integrated and coordinated manner;
 - b. that in connection with the above it is deemed necessary to establish the form and mechanism of coordination so that transmigration operations can be conducted to the best possible extent, efficiently and effectively;

- Adhering to:
1. Article 4, paragraph (1), of the 1945 Constitution;
 2. Law No. 3, 1972, on the Basic Provisions of Transmigration (State Gazette No. 33, 1972, State Gazette Addendum No. 2988);
 3. Law No. 5, 1974, on the Principles of Government in a Region (State Gazette No. 38, 1974, State Gazette Addendum No. 3037);
 4. Government Regulation No. 42, 1973, on Transmigration Operations (State Gazette No. 52, 1973, State Gazette Addendum No. 3016);

HEREBY DECREES:

Revoking Presidential Decree No. 26, 1978, on the Transmigration Operation Coordinating Board.

Enacting : THE DECREE OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA ON THE COORDINATION OF TRANSMIGRATION OPERATIONS.

Article 1

Transmigration operations shall be the task and responsibility of the Minister of Transmigration and they shall be performed in an integrated and coordinated manner with other Departments and Government Institutions whose task and function scope is related to transmigration operations, i.e. the Department of Home Affairs, the Department of Public Works, the Department of Agriculture, the Department of Forestry, the Department of Communications, the Department of Cooperatives, the Department of Health, the Office of the State Minister for Population and Environment, the Office of the State Minister for National Development Planning/National Development Planning Board (BAPPENAS), and other Government Institutions deemed similarly related.

Article 2

In performing the task referred to in Article 1, the Minister of

Transmigration shall function as follows:

- a. coordinating the formulation of policies, preparation of programs and transmigration operation activities in an integrated manner among Departments and other Government Institutions whose task and function scope is related to transmigration activities, in line with the general policy established by the Government;
- b. coordinating activities controlling transmigration program implementation and operation activities;
- c. coordinating efforts to solve problems that arise in transmigration activities;
- d. initiating other actions that may be needed to ensure the success of transmigration operations.

Article 3

- (1) In performing his task and function, the Minister of Transmigration shall be assisted by:
 1. A Secretariat, that shall be functionally handled by the Secretariat General of the Department of Transmigration and shall have the task of providing administrative and staff support for all transmigration operation activities in an integrated and coordinated manner.
 2. A Supervisory Team, that shall be headed by the Inspector General of the Department of Transmigration and shall have as members the inspectors of Departments and supervisors of other Government Institutions whose task and function scope is related to transmigration operations, and shall have the task of assisting the Minister of Transmigration in conducting supervision and evaluation of transmigration operations.
 3. A Technical Team, that shall be headed by an echelon I official of the Department of Transmigration appointed by the Minister of Transmigration and shall have as members the echelon II officials in the technical section of Departments and other Government Institutions whose task and function scope is related to transmigration operations, and shall have the task of assisting the Minister of Transmigration in transmigration operations.
- (2) The formation, job description, composition of members, and operating procedures of the Secretariat, the Supervisory Team, and the Technical Team referred to in paragraph (1) shall be organized further by the Minister of Transmigration.

Article 4

- (1) Transmigration operations in a Level I Region Province area shall be coordinated by the Governor/Head of Level I Region assisted by the Heads of the Area Offices of the Departments whose task and function scope is related to transmigration operations in the Level I Region Province area.
- (2) Transmigration operations in a Level II Region Kabupaten (Administrative District) shall be coordinated by the Bupati (Head of Kabupaten/District Representative of the Department of Home Affairs)/Municipal Mayor/Head of Level II Region assisted by the Heads of the

Area Offices of the Departments whose task and function scope is related to transmigration operations in the Level II Region Kabupaten area.

- (3) In coordinating transmigration operations in a Level I Region Province area and in a Level II Region Kabupaten area, the Governor/Head of Level I Region and the Bupati/Municipal Mayor/Head of Level II Region shall adhere to the transmigration program and operation activity policy established in an integrated and coordinated manner as referred to in this Presidential Instruction.
- (4) The task, function, and operating procedures of transmigration operation coordination in a Level I Region Province area and in a Level II Region Kabupaten area shall be organized further by the Minister of Transmigration after consulting with the Ministers and Heads of Government Institutions whose task and function scope is related to transmigration operations, and within the context of coordination as referred to in this Presidential Instruction.

Article 5

All costs related to the implementation of transmigration operation coordination at the Central Region as well as a Level I or Level II Region shall be charged to the Department of Transmigration's Budget.

Article 6

At the time this Presidential Instruction starts to be effective, the implementation regulation issued on the basis of Presidential Instruction No. 26, 1978, shall remain effective, as long as it is not yet amended or replaced with a new implementation regulation on the basis of this Presidential Instruction.

Article 7

The technical stipulations for the implementation of this Presidential Instruction shall be organized further by the Minister of Transmigration.

Article 8

This Presidential Instruction shall be effective on the date of enactment.

Enacted in Jakarta
on October 16, 1984

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

(signed)

SOEHARTO

A true copy of the original

THE SECRETARIAT OF THE CABINET
OF THE REPUBLIC OF INDONESIA

Head of Legal and Legislative
Affairs Bureau

(signed)

BAMBANG KESOWO, S.H., LL.M.



PRESIDEN
REPUBLIK INDONESIA

KEPUTUSAN PRESIDEN REPUBLIK INDONESIA
NOMOR 59 TAHUN 1984
TENTANG
KOORDINASI PENYELENGGARAAN TRANSMIGRASI

PRESIDEN REPUBLIK INDONESIA,

- Menimbang :
- a. bahwa dalam rangka pelaksanaan pembangunan nasional, penyelenggaraan transmigrasi yang bersifat lintas sektoral perlu terus ditingkatkan secara lebih terpadu dan terkoordinasi;
 - b. bahwa sehubungan dengan hal tersebut di atas, dipandang perlu menetapkan bentuk dan mekanisme koordinasi sehingga penyelenggaraan transmigrasi dapat berlangsung dengan sebaik-baiknya, berdaya guna dan berhasil guna;

- Mengingat :
1. Pasal 4 ayat (1) Undang-Undang Dasar 1945;
 2. Undang-undang Nomor 3 Tahun 1972 tentang Ketentuan-ketentuan Pokok Transmigrasi (Lembaran Negara Tahun 1972 Nomor 33, Tambahan Lembaran Negara Nomor 2988);
 3. Undang-undang Nomor 5 Tahun 1974 tentang Pokok-pokok Pemerintahan di Daerah (Lembaran Negara Tahun 1974 Nomor 38, Tambahan Lembaran Negara Nomor 3037);
 4. Peraturan Pemerintah Nomor 42 Tahun 1973 tentang Penyelenggaraan Transmigrasi (Lembaran Negara Tahun 1973 Nomor 52, Tambahan Lembaran Negara Nomor 3016);

MEMUTUSKAN :

Dengan mencabut Keputusan Presiden Nomor 26 Tahun 1978 tentang Badan Koordinasi Penyelenggaraan Transmigrasi.

Menetapkan : KEPUTUSAN PRESIDEN REPUBLIK INDONESIA TENTANG KOORDINASI PENYELENGGARAAN TRANSMIGRASI.



PRESIDEN
REPUBLIK INDONESIA.

- 2 -

Pasal 1

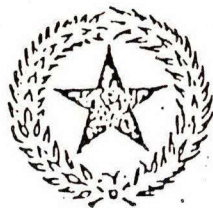
Penyelenggaraan transmigrasi merupakan tugas dan tanggung jawab Menteri Transmigrasi, dan pelaksanaannya dilakukan secara terpadu dan terkoordinasi dengan Departemen dan Lembaga Pemerintah lainnya yang lingkup tugas dan fungsinya berkaitan dengan penyelenggaraan transmigrasi yaitu Departemen Dalam Negeri, Departemen Pekerjaan Umum, Departemen Pertanian, Departemen Kehutanan, Departemen Perhubungan, Departemen Koperasi, Departemen Kesehatan, Kantor Menteri Negara Kependudukan dan Lingkungan Hidup, Kantor Menteri Negara Perencanaan Pembangunan Nasional/Badan Perencanaan Pembangunan Nasional, dan Lembaga Pemerintah lainnya yang dipandang perlu.

Pasal 2

Dalam melaksanakan tugas sebagaimana dimaksud dalam Pasal 1, Menteri Transmigrasi melakukan fungsi:

- a. mengkoordinasikan perumusan kebijaksanaan, penyusunan program dan kegiatan penyelenggaraan transmigrasi secara terpadu di antara Departemen dan Lembaga Pemerintah lainnya yang lingkup tugas dan fungsinya berkaitan dengan penyelenggaraan transmigrasi, sesuai dengan kebijaksanaan umum yang ditetapkan Pemerintah;
- b. mengkoordinasikan kegiatan pengendalian pelaksanaan program dan kegiatan penyelenggaraan transmigrasi;
- c. mengkoordinasikan upaya pemecahan masalah yang timbul dalam rangka penyelenggaraan transmigrasi;
- d. lain-lainnya yang diperlukan dalam rangka keberhasilan penyelenggaraan transmigrasi.

Pasal 3 ...



PRESIDEN
REPUBLIK INDONESIA

- 3 -

Pasal 3

- (1) Dalam melaksanakan tugas dan fungsinya Menteri Transmigrasi dibantu oleh:
1. Sekretariat, yang secara fungsional dilaksanakan oleh Sekretariat Jenderal Departemen Transmigrasi dan bertugas memberikan dukungan administrasi dan staf bagi seluruh kegiatan penyelenggaraan transmigrasi secara terpadu dan terkoordinasi.
 2. Tim Pengawas, yang diketuai oleh Inspektur Jenderal Departemen Transmigrasi dan beranggotakan para inspektur pada Departemen dan pejabat pengawas pada Lembaga Pemerintah lainnya yang lingkup tugas dan fungsinya berkaitan dengan penyelenggaraan transmigrasi, dan bertugas membantu Menteri Transmigrasi dalam melaksanakan pengawasan dan evaluasi penyelenggaraan transmigrasi.
 3. Tim Teknik, yang diketuai oleh pejabat eselon I Departemen Transmigrasi yang ditunjuk oleh Menteri Transmigrasi dan beranggotakan para pejabat eselon II di bidang teknis dari Departemen dan Lembaga Pemerintah lainnya yang lingkup tugas dan fungsinya berkaitan dengan penyelenggaraan transmigrasi, dan bertugas membantu Menteri Transmigrasi dalam penyelenggaraan transmigrasi.
- (2) Pembentukan, perincian tugas, susunan keanggotaan, dan tata kerja Sekretariat, Tim Pengawas, dan Tim Teknik sebagaimana dimaksud dalam ayat (1) diatur lebih lanjut oleh Menteri Transmigrasi.

Pasal 4 ...



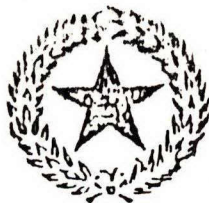
PRESIDEN
REPUBLIK INDONESIA

- 4 -

Pasal 4

- (1) Penyelenggaraan transmigrasi di wilayah Propinsi Daerah Tingkat I dikoordinasikan oleh Gubernur Kepala Daerah I yang dibantu oleh para Kepala Kantor Wilayah Departemen yang tugas dan fungsinya berkaitan dengan penyelenggaraan transmigrasi di wilayah Propinsi Daerah Tingkat I.
- (2) Penyelenggaraan transmigrasi di wilayah Kabupaten Daerah Tingkat II dikoordinasikan oleh Bupati/Walikota/madya Kepala Daerah Tingkat II yang dibantu oleh para Kepala Kantor Departemen yang tugas dan fungsinya berkaitan dengan penyelenggaraan transmigrasi di wilayah Kabupaten Daerah Tingkat II.
- (3) Dalam melaksanakan koordinasi penyelenggaraan transmigrasi di wilayah Propinsi Daerah Tingkat I dan di wilayah Kabupaten Daerah Tingkat II, Gubernur Kepala Daerah Tingkat I dan Bupati/Walikota/madya Kepala Daerah Tingkat II berpedoman pada kebijaksanaan program dan kegiatan penyelenggaraan transmigrasi yang telah ditetapkan secara terpadu dan terkoordinasi sebagaimana dimaksud dalam Keputusan Presiden ini.
- (4) Tugas, fungsi, dan tata kerja koordinasi penyelenggaraan transmigrasi di wilayah Propinsi

Daerah ...



PRESIDEN
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Daerah Tingkat I dan di wilayah Kabupaten Daerah Tingkat II diatur lebih lanjut oleh Menteri Transmigrasi setelah berkonsultasi dengan para Menteri dan Pimpinan Lembaga Pemerintah yang tugas dan fungsinya berkaitan dengan penyelenggaraan transmigrasi, dan dalam rangka koordinasi sebagaimana dimaksud dalam Keputusan Presiden ini.

Pasal 5

Semua pembiayaan yang berhubungan dengan pelaksanaan koordinasi penyelenggaraan transmigrasi baik di Pusat maupun di Daerah Tingkat I dan di Daerah Tingkat II dibebankan pada Anggaran Belanja Departemen Transmigrasi.

Pasal 6

Pada saat mulai berlakunya Keputusan Presiden ini, peraturan pelaksanaan yang telah dikeluarkan berdasarkan Keputusan Presiden Nomor 26 Tahun 1978 tetap berlaku, selama belum diubah atau diganti dengan peraturan pelaksanaan yang baru berdasarkan Keputusan Presiden ini.

Pasal 7

Ketentuan teknis pelaksanaan Keputusan Presiden ini diatur lebih lanjut oleh Menteri Transmigrasi.

Pasal 8 ...



PRESIDEN
REPUBLIK INDONESIA

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Pasal 8

Keputusan Presiden ini mulai berlaku pada tanggal ditetapkan.

Ditetapkan di Jakarta
pada tanggal 16 Oktober 1984
PRESIDEN REPUBLIK INDONESIA,

ttd

S O E H A R T O

Salinan sesuai dengan aslinya



Bambang Kesowo, S.H., LL.M.

F/0030/2



**GOVERNMENT STATEMENT
ON THE DRAFT STATE BUDGET FOR 1986 - '87
TO THE HOUSE OF THE PEOPLE'S
REPRESENTATIVES**

**DELIVERED BY
THE PRESIDENT OF THE REPUBLIC OF INDONESIA
ON JANUARY 7, 1986**

REPUBLIC OF INDONESIA

PROVISIONAL TRANSLATION



PRESIDENT
REPUBLIC OF INDONESIA

Honourable Speaker, Vice-Speakers and Members of the
House of the People's Representatives;
Ladies and Gentlemen;

First of all, allow me to avail myself of this opportunity to convey my sincere best wishes for the 1986 New Year to the Honourable Speaker, Vice-Speakers and every Members of the House and also to all the Distinguished audience. May the New Year upon which we enter now bring blessings and prosperity to all of us and to the entire Indonesian nation in general.

Since these days are still filled with the atmosphere of Christmas celebrations, please permit me also to convey Christmas Greetings to all Honourable Members who are Christians. May the Christmas message guide you all to giving greater dedication to our society that is engaged in development.

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Honourable House;

When I conveyed my End-of-Year Message for 1984 to the whole of the Indonesian nation over the television (TVRI) and radio (RRI), I mentioned that 1985 would continue to be a difficult and hard year. What I said one year ago has indeed been our common experience as a nation, especially in our national economy in the year 1985 just past. I also remarked at that time that the economic conditions in 1984 were subjected to heavy pressures, as a continuation of the unfavourable economic developments of several previous years, caused by the prolonged global economic recession.

That is the reason why, even though we had achieved initial successes during the previous Five-Year Development Plans (REPELITA)* up till REPELITA III, in a series of national development that we are implementing, we have been aware from the beginning that we would face hard challenges in REPELITA IV. It was this awareness that prompted us, in all responsibility, to determine the estimate of our economic growth rate at an average of 5% a year in REPELITA IV, which we are now carrying out. This means that we consciously estimated that the economic growth rate in REPELITA IV would not be as high as that we achieved in REPELITA III, namely an average of 6.5% a year.

This general picture regarding the economic growth that I have just recalled is the answer to why we have felt the past year of 1985 to have been a hard one. Even starting from now, we are aware that the year 1986 does not yet show any signs of improvement of the world economy, which, directly or indirectly,

* REPELITA = REncana PEmbangunan Lima Tahun

will have a positive impact on the conditions and the growth of our economy.

This is the reason, therefore, that if we have been able to end 1985 safely, despite pressures that we felt were heavy, we watch the passing of 1985 with the deepest sense of relief.

In facing the not-so-bright economic conditions in the years ahead, we must adopt a calm and realistic attitude.

As I frequently remind people, the development of a nation is a long process, even constituting the historical process of its growth and evolution. We have been aware from the beginning that in such a long process, the evolution and growth through which we will pass certainly are not free from challenges and trials. The history of the evolution and growth of nations that have now reached a very advanced level of economic progress, also underwent a course that had its ups and downs.

Through understanding that the course of development is a process on the move, we must see our conditions today in the context of a long journey and a wider outlook.

As part of the world community, the relations of which grow ever closer between one nation and the others, the conditions of our economy, too, are affected by developments in that world economy. What we have to do is, on the one hand, to try to ensure that this unfavourable influence does not exert too heavy a pressure upon us, and, on the other hand, to see how we can use to the best possible advantage the openings that still exist, no matter how small those openings may be.

We are a nation of fighters, who have passed safely all kinds of tests and trials in the past. We are convinced that we will be able to draw inspiration and experience from the past with which to make a success of our tasks in times ahead.

Honourable House;

After undergoing a serious recession several years ago, it seemed that the world was going to experience a recovery toward an improved economic condition. This was experienced by some of the advanced industrial countries. But it turned out that these developments prevailed only for a while, they were uneven and were not as strong as would have been needed to improve the world economy. Developments subsequent to those brief signs of improvements show that the world economy is once more undergoing a slump. Meanwhile, there are apparently indications at present that world economic conditions will deteriorate once again in the days to come.

The still unimproved economic conditions of the world that are filled with all kinds of uncertainties are made more difficult yet with the uncertainties on the international monetary situation, such as the repeated changes in the exchange rate of the currencies of various countries and the uncertain interest rate. This situation in turn causes the ever-diminishing funds available for the developing countries, in particular for the soft loan type of funds which are badly needed to accelerate the pace of development.

Conditions for the developing countries are the more difficult yet because a number of advanced industrial countries establish obstacles for the entry of non-oil/gas export commodities to the countries concerned, by imposing high tariffs, restriction under the quota system and other protectionist measures. Whereas, for the developing countries, non-oil/gas exports have wide implications for their economic existence: not just as sources of state revenues and foreign exchange earnings, but also they form fields

for expanding work opportunities, increasing the people's incomes, stimulating economic activities with wide ramifications, and encouraging equity.

We will never tire of reminding the advanced industrial countries that a solution to world economic problems cannot possibly be reached by each individual country, nor can they possibly be solved just by the advanced countries themselves. That is why we always appeal for the continued intensification of the North-South dialogue so that it produces concrete results. Such conditions as at present, and even more with the protectionist measures, will not help the situation. And at the end, they also cannot improve the economies of the advanced industrial countries themselves. Far more than that, they will burden the course of development of the developing countries.

Meanwhile, the conditions of international oil markets are also not advantageous for our development. There has recently been a decline in oil prices on international markets because of the efforts made by non-OPEC members for conservation, diversification and production increase, and the accumulation of reserves by the consumer countries. All these developments have a direct impact on weakening price levels and demand for oil on world markets, which have further restrained and even decreased the growth of our state revenues from the oil and natural gas sector.

It was because of such developments that, when I introduced the Draft State Revenues and Expenditures (Draft State Budget) for 1985-'86 to this Honourable House exactly one year ago, and also from this rostrum, I urged that we all take an attitude of preparedness and vigilance over the consequences that might arise in state revenues and foreign exchange earnings, if there were a drop in prices or in the volume of the production and export of

our oil and natural gas. It is even the case that when, two years ago, I introduced the Draft State Budget for 1984-'85, as implementation of the first year of REPELITA IV, I also warned that we could no longer expect any major increase in revenues from oil, because the world oil situation did not make that possible.

This does not mean that our economic growth and development are dependent solely on oil. We should remain grateful that the Indonesian nation possesses natural resources in the form of oil and gas which are so important.

And so far we have used oil and gas as well as possible to increase state revenues in order to finance development, especially by taking full advantage of the oil price hikes on the international markets that occurred some time ago.

It is precisely because we were able to use well and responsibly the opportunities open to us in the past, that we were able to reach such a level of progress as we enjoy today. Had we neglected those opportunities in the past, we would not only be unable to reach the present level of progress, but even possibly our conditions would have grown worse, and that we would have no resilience to face the difficult and hard times ahead of us. Our economy has so far had adequate resilience and strength to face the gloomy world economy during these last few years. This is evidenced by our economic stability that we have been able to put under control. While in 1984 our inflation rate was 8.7% and in 1983 was 11.4%, in 1985 our inflation rate was 4.3%.

Our foreign exchange reserves are also quite adequate, which at present amounted to around US \$ 10.7 billion, it is an increase if compared with the situations in 1984 and 1983.

The adequate foreign exchange reserves are due to the decline of our imports of consumptive goods, which have been replaced by locally-produced goods and by other austerity measures. For this reason, therefore, I would like to emphasise that although the foreign exchange earnings have declined because of the drop of oil prices as well as prices of other export commodities, yet the Government does not need to and will not devalue the rupiah. We have already placed the exchange rate of our rupiah vis-à-vis foreign currencies in such a system that the exchange rate floats, following the developments in the value of a number of important foreign currencies. Due to this system, there are no grounds for devaluing our rupiah currency.

As a whole, I can say that at present—even though we feel the pressures keep on growing heavier—our economy possesses the resilience to face up to the difficult condition in the years ahead of us. Whereas our socio-political condition during 1985 has also been consolidated and improved, which hopefully could serve as a solid foundation for the continued implementation of development in the third year of the current REPELITA IV and subsequent REPELITA.

Honourable House;

It is with the background of such world economic condition in general and of our economy in particular that we drew up the Draft State Budget for 1986-'87, constituting execution of the third year of REPELITA IV.

As I mentioned earlier, the state revenues will be influenced by developments in the world economy and by the conditions of the international oil markets. To be more specific, the size of the state revenues for 1986-'87 will be smaller than that of

the current state revenues. Because, as laid down in the Guidelines of State Policy, we must continue to adopt a balanced budget, thus the state expenditures must be adjusted to the size of the state revenues. We regard the adoption of a balanced budget as a most important guide for ensuring economic stability. Experience has taught us that without economic stability it is difficult to implement development. Indeed, it can even be the beginning of economic stagnation and deterioration which are later very difficult to recover. With the basic premises of such a balanced budget, the State Revenues and Expenditures for 1986-'87 will be smaller than the State Revenues and Expenditures for 1985-'86.

Another matter that the Government has to pay its attention to, is the fact that in the context of preserving the development achievements that have been attained thus far, it is impossible to reduce the state routine budget, since the amount for the 1985-'86 State Budget was very limited. Whereas for the 1986-'87 fiscal year, there are in fact certain sectors of the routine budget that must be increased.

The next guide used by the Government in composing the Draft State Budget for 1986-'87 was that we will continue to carry out development based on the Trilogy of Development. This means that the over-all programs and the economic and development activities in the third year of REPELITA IV are integrated and mutually-supporting undertakings to spread development equitably, to secure economic growth and to consolidate dynamic national stability.

In order to ensure that development continues to move ahead, we cannot but try our utmost to see to it that there will

be enough Public Savings to finance development, even though they are not as big as the Public Savings in the current budget. For that purpose we must, on the one hand, try as hard as possible to increase the state revenues from domestic resources; and, on the other hand, we must adopt austerity measures and channel these routine expenditures as appropriately as possible. Furthermore, we must also use the accumulated Public Savings for development projects by narrowing even more the priorities. In other words, to attain the optimum economic and development progress, we must conduct a nation-wide efficiency and austerity movements.

We must also heighten discipline in development. This means that the funds and forces we possess must be used as well as possible, and with the greatest sense of responsibility, they must be used effectively and efficiently, so that we can reach development targets. Discipline in development is something of which we must be conscious and to be practiced nation-wide, not just by the apparatus of government administration, but also by the business world and by the public at large.

Meanwhile, we must continue to be realistic. Having a realistic attitude means carrying out development in accordance with our ability as a nation to bear together the burdens of development. Therefore attempts to increase state revenues must also be adjusted to the actual capacities of our community and we must also adjust the programs and plans for development projects to the financial resources that can be allocated.

Using those guides and taking into account the possible capacities that we can develop, the Government is submitting to this Honourable House a Draft State Revenues and Expenditures

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for 1986-'87 amounting to over Rp 21.4 trillion.*) This means a decline of 7% by comparison with the current budget. In keeping with the principle of the balanced budget, the state expenditures will also amount to Rp 21.4 trillion.

As was the case with previous State Budgets, state revenues will consist of domestic revenues and development revenues originating from abroad. Domestic revenues are estimated at over Rp 17.8 trillion, or a decline of 4.5% from the present figures. Whilst development revenues are estimated at almost over Rp 3.6 trillion, or 17.8% less than the present figure. The decline in the amount of development revenues is closely related to our rupiah financing ability, which is not as ample as in past years.

Meanwhile, expenditures will consist of routine expenditures amounting to more than Rp 13.1 trillion, which is an increase of 5.9%; and development expenditures amounting to almost Rp 8.3 trillion, a decline of 22.1% in comparison with the current budget.

Honourable House;

Next I shall outline the Draft State Budget, giving the broad outlines of both state revenues and expenditures.

As I mentioned just now, state revenues consist of domestic revenues and development revenues.

Domestic revenues consist of revenues from the oil and natural gas sector and revenues from outside the oil and natural gas sector.

Revenues from the oil and natural gas sector will consist of tax on oil proceeds and tax on natural gas proceeds. In the

*) 1 trillion = 1,000,000,000,000

forthcoming 1986-'87 budget, it is estimated that state revenues from this sector will amount to Rp 9.7 trillion, or a decline of around 12% from the present figure. Of the total, revenues from the tax on oil proceeds will amount to Rp 8.1 trillion, or a decline of 14%, and from tax on natural gas proceeds will amount to around Rp 1.6 trillion, or a decline of 5.2%.

Meanwhile, revenues from outside oil and natural gas sector will reach a little over Rp 8 trillion. This means an increase of 7.7% above the present figure. Differing from the classifications in force at present, non-oil and natural gas revenues will consist of revenues from income tax, value added tax, property tax, other taxes, import duties, excise, export duties and non-tax receipts. The difference is that with the Property Tax coming into force, there will no longer be any revenues from IPEDA*) levies and wealth tax.

From this picture of estimated domestic revenues, it is evident that revenues from the oil and natural gas sector still constitute important and large revenues. In addition, this sector also constitutes a source of foreign exchange earnings that are likewise important and substantial.

However, by comparison with previous years, the difference between revenues from the oil and natural gas sector and revenues from outside that sector is growing ever smaller. This is due to the fact that, on the one hand, the revenues from the oil and natural gas sector are declining, whilst on the other, revenues from outside that sector are increasing.

It is precisely this increase in revenues from non-oil and natural gas sources, and the lessening difference between revenues

*) IPEDA = Iuran Pembangunan Daerah = Regional Development Contribution

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from the oil and natural gas sector and revenues from outside that sector, which constitute indication of the growing balance of the basic sources of domestic revenues.

On various occasions I have often warned that we cannot constantly just rely for our state revenues and our foreign exchange earnings upon what we receive from oil and natural gas alone. For that would give rise to long-term economic vulnerabilities, and all the more so if developments in oil prices on world markets remain uncertain.

In order to overcome those vulnerabilities, we must be capable of mobilising exploitation of sources of domestic revenues outside oil and natural gas. In other words, we must exploit as well as we can the sources that originate from taxation, while constantly taking into account the capabilities of the community and the element of justice.

Exploiting state revenues from tax sources reflects our responsibilities as an independent nation determined to be self-supporting to finance the management of our country and the conduct of our development.

We are thankful that in our effort to be self-supporting to finance the management of our country and the conduct of development, we have taken the right steps at what is also the right time. What I mean is that we have made fundamental and complete reform of our taxation system. We have adjusted the spirit, orientation and system of taxation to the climate of an independent Indonesia, and we have also adjusted it to the progress of the times, replacing the taxation system inherited from the past colonial era. In this context in 1984, we already possessed a set of tax laws of a national character, covering a Law

on the General Stipulations and Procedures of Taxation, a Law on Income Tax and a 1984 Law on Value Added. Then, right at the end of 1985, I signed Laws on the Property Tax and on Stamp Duties. I wish to use this opportunity to convey my thanks and appreciation to the Honourable House, which, in concert with the Government, and with a sense of responsibility, finalised these two last-mentioned laws right on schedule.

With this set of laws in the field of taxation and with the public's ever-growing tax-consciousness, it is estimated that the revenues realised from income tax and value added tax will be larger in this current fiscal 1985-'86 than what was realised in fiscal 1984-'85. It is expected that revenues from these taxes will also continue to rise in fiscal 1986-'87.

It is estimated that revenues from income tax in fiscal 1985-'86 will reach over Rp 2.6 trillion. This sum is indeed lower than the estimate given in the 1985-'86 State Budget amounting to over Rp 3 trillion. But by comparison with the tax revenues realised in the 1984-'85 State Budget of over Rp 2.1 trillion, the estimated income tax revenues for the present fiscal year of Rp 2.6 trillion is far more than what was realised in the 1984-'85 fiscal year.

An encouraging increase is also to be seen in revenues from value added tax, which it is estimated will reach over Rp 2 trillion in fiscal 1985-'86. This sum is far higher than the Rp 1.6 trillion originally envisaged and included in the 1985-'86 State Budget, and more than twice what was realised in fiscal 1984-'85. Estimates of other domestic revenues outside what is received from oil and natural gas, also show increases by comparison with the current State Budget as well as with what was realised in the previous fiscal year.

All these things constitute signs of a good beginning for increasing government revenues from taxes in progressing towards self-supporting in funding.

Nevertheless, as I mentioned just now, we must still heighten the public's consciousness about paying taxes, since, until the present time, the numbers paying income tax, for instance, are still extremely small. Those who evade their obligation to pay taxes will be subjected by the Government to the measures empowered by the Law.

Meanwhile, the Government will continue to apply the principle of justice which is the spirit of our taxation laws, namely : those who are able must pay, and those whose ability is greater must pay more taxes. Therefore, I ask that our determination to mobilise revenues from taxes should not upset anyone, because indeed there is nothing to be upset about.

On this occasion, I ask yet once again that the tax officers give the clearest possible explanations and provide the best possible guidance to the public at large with regard to how matters stand and as to the obligation to pay taxes.

All the progress and the common prosperity that are our ideals are greatly dependent upon our consciousness and common responsibility for paying taxes in keeping with the laws in force that are based upon our respective abilities to pay.

Honourable House;

By constantly maintaining the increasingly good momentum on the consciousness to pay taxes, on the one hand, and by taking into account the estimates of economic growth in the future, on the other hand, revenues of income tax in fiscal 1986-'87 are estimated at over Rp 2.8 trillion. Income tax comes from taxes

on personal incomes and on incomes of corporate bodies. Forthcoming revenues from income tax are not as much as was planned for the current fiscal year because of two things. First, in the current fiscal year there is a jump in revenues on account of the tax pardons, and it will not occur again in coming fiscal years. Second, because economic conditions in general do not display any signs of greater increases than at present, and this in turn will influence revenues from income tax.

Further, it is estimated that value added tax can reach over Rp 2.1 trillion, or an increase of 28.6% over the present figure. Meanwhile, revenues from import duties are planned for Rp 580 billion, or a decline of about 19% from the present amount. The main reason for this decline is because there is an increasing shift in imports towards the import of raw materials and capital goods, on which there is a low tariff, even down to 0%. This shift is an outgrowth of our attempts to keep on intensifying the activities of domestic industry.

The Government is determined to continue the policies of stimulating and making domestic industry sound, by providing, among other things, various tariff concessions on import duties for the import of raw materials and supplementary goods that are used in the production process for industries producing high added value, absorbing a great number of manpower, utilising domestic resources and producing goods at prices that compete both with imported goods and on foreign markets.

Meanwhile, excise revenues will reach over Rp 1 trillion, or increase by 9.5% above the present sum. This policy on excise revenues is not aimed solely at increasing state revenues. In the excise on tobacco, for instance, the policy on levying the excise is designed at stimulating the growth of small-scale tobacco

industries, especially the firms classified as weak and small and which absorb a great number of manpower, in particular those that produce clove cigarettes. In the case of excise on sugar, the policy adopted is directed towards ensuring the stability of prices suited to the public's purchasing power and the income level of sugar-cane farmers.

With regard to export taxes, revenues are estimated at almost Rp 79 billion, or a decline of 22.5% on the present sum. In the last few years there has been a tendency for export tax revenues to decline. This is closely related to the decline in our exports, both in value and volume, as a consequence of the continuing world economic slump, the barriers put up by a number of advanced industrial countries and the still low competitiveness of our export goods on world markets. In addition, the decline in revenues is also due to the lowering of export tax tariffs in order to stimulate the export of non-oil and gas commodities. As a whole, export tax policies are aimed at stimulating the export of finished goods, at limiting the export of raw materials and at limiting the export of our properties that are threatened with extinction.

Further, a new type of tax in tax revenues is the property tax, which simultaneously replaces the IPEDA levies and the wealth tax with which we have been acquainted so far. Revenues from the property tax are estimated at Rp 284 billion, or an increase of around 47% of the present figure. This sum will be distributed among all regions, since the stipulations of the law provide that 90% of the revenues from the property tax are for both Level-I and Level-II local governments, whilst the remaining 10% is input for state revenues. This new kind of tax is aimed

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simultaneously at supporting equity and at intensifying the development of all regions.

Meanwhile, revenues from other taxes will amount to Rp 119 billion, or an increase of 68% by comparison with the present figure of almost Rp 71 billion. The greater part of these revenues are in the form of stamp duty, the law on which has also just been finalised by the Government in concert with this Honourable House.

The last kind of domestic revenues are non-tax receipts, which are envisaged at a total of almost Rp 954 billion, or an increase of 30% by comparison with the receipts envisaged currently which amount to almost Rp 732 billion. These receipts come from various government departments and state-owned enterprises. Efforts will be made to see to it that these receipts can be raised through intensification, regulation and supervision over the levying and depositing of the sums involved. Particularly with regard to the state-owned enterprises, improvements to management and operational activities will be continued so that their incomes can be raised, and by this means it is also expected that state revenues will increase deriving from the profits of the enterprises concerned.

Honourable House;

I will now submit an explanation in broad outlines of routine expenditures as was mentioned earlier. Routine expenditures are envisaged at over Rp 13.1 trillion, or an increase of 5.9% over the present figure.

In conformity with the state's financial situation, which is not so encouraging, the use of routine expenditures is directed

at expenses the priority for which has been further accentuated and are also accompanied by tighter austerity measures. Priorities for routine expenditures are aimed at the execution of duties that really have to be carried out by the apparatus in order to conduct the government administration, to give services to the public and to maintain the results of development. Whilst economies are made reducing materiel expense, restricting both domestic and foreign official travels, limiting the holding of service meetings or seminars, limiting ceremonies for the dedication of projects or other ceremonials.

Beginning this year, routine expenditures, which consist of personnel expense, materiel expense, subsidies for autonomous regions, debt-servicing and miscellaneous routine expenditures, will be added with expenditures to finance food reserves. I will explain this matter later on.

A budget of about Rp 4.2 trillion is available for personnel expense, which is an increase of 2.3% over the present figure. The increase is mainly intended to cover the admission of new civil servants.

The next item of routine expenditures is materiel expense, both domestic materiel expense and materiel expense for our representations abroad. The budget available is over Rp 1.3 trillion. This means a decline of about 10.7% of the present figure, and is part of the austerity measures I mentioned just now. Accompanied by measures taken for efficiency, it is hoped that this reduction of materiel expense will not lower the quality of the government's services to the public, will not detract from the conduct of the general duties of government and will not decrease the preservation of the development achievements which we have made with much difficulty until today.

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I wish to use this opportunity to appeal to all organs, all officials and all civil servants to understand as thoroughly as possible our circumspection in coming years. It is at this difficult time that all officials and civil servants have the best possible opportunity to show themselves of being responsible servants of society.

The following item of routine expenditures is the subsidies for autonomous regions. The total will reach over Rp 2.6 trillion or an increase of almost 2% over the present figure. This increase is mainly to cater for new civil servants, especially the teachers of INPRES*) primary schools and para-medical personnel for Public Health Centres. As with previous years, aid for the Provinces of Irian Jaya and East Timor is included in the subsidies for autonomous regions.

Another routine expenditures are for debt-servicing. The total will reach about Rp 4.2 trillion, or an increase by 18.7% over the present figure. The greater part of this sum is to pay for foreign debts. Starting this year and in the coming years, the sums for debt-servicing will be greater, because it is due time for us to repay these foreign debts, which so far we have used as well as possible for the construction of useful projects.

The next routine expenditures are expenses for food reserves, which, as I said just now, is a new kind of expenditure. The budget allocation for food reserves is absolutely essential as from fiscal year 1986-87 on the following grounds: that such a large and vast country as Indonesia must absolutely have food reserves in sufficient quantity in order to ensure the smooth distribution and provision of food, rice in particular, at any time it is needed.

*) INPRES = INstruksi PRESiden = Project by virtue of Presidential Instruction.

The stocking of these rather large food reserves is also needed to store the constantly increasing production of paddy/rice at prices that are reasonable both for the farmer producers and also for the consumers. At present, the rice under Government control in the National Foodstuffs Logistics Board (BULOG)*) amounts to over three and a half million tons. Of this amount, one and a half million tons is needed for BULOG operations at any moment, -to supply the needs of civil servants, the Armed Forces, market operations and the like- whilst the other two million tons are reserves which require funds for the storage, maintenance and depreciation.

Until today, the financing for the whole provision and storage of these reserves has been charged in full to the BULOG budget, which is sustained by banking credits. This was still quite proper whilst the rice in BULOG's care was limited to operational requirements. But today, with rice reserves that are growing larger, it is no longer possible to charge it against banking credits, since, apart from burdening BULOG with increasing sums of bank interest -the consequences of which will also raise the prices of rice from BULOG-, this will also reduce the ability of the banks to provide credits for other sectors.

In connection with this, basically the financing of food (rice) reserves must be borne and provided by the Government, whilst BULOG will only be charged with the financing (originating from the banks) for the rice for operational purposes alone. But due to the limited budget that can be allocated by the state, for the current 1986-'87 fiscal year, the Government can only provide a food reserves budget for one million tons, plus bank

*) BULOG = Badan Urusan Logistik

credits interest for one million tons. The total budget for this purpose amounts to over Rp 417 billion.

The last group in routine expenditures are miscellaneous routine expenditures, the greater part of which is subsidies for fuel oils and other routine expenditures. It is estimated that these miscellaneous routine expenditures will amount to Rp 266 billion, or a decline of almost 56% by comparison with the present budget. We will keep down expenditures for fuel oils subsidies to Rp 142 billion, a decline of 73% by comparison with the present amount. Apart from the drop in the price of oil on international markets, the reduction in the fuel oils subsidies is also due to the various measures that are constantly being made for efficiency in the management of our oil.

Included in these miscellaneous routine expenditures are preparation expenses for the General Election. we are going to hold in 1987, which in the present fiscal year of 1986-'87, funds of Rp 85.8 billion are allotted.

Honourable House;

Furthermore, permit me now to turn to an explanation of the broad outlines of development expenditures.

As I said a while ago, the funds available for continuing development are extremely limited. Therefore, we must use these limited funds in the best possible way with greatly sharpened priorities.

Those priorities are :

First, to finish projects currently under construction. The amount of funds to be made available will be adjusted to the ability to use them.

Second, to complement the rupiah funds needed for projects obtaining project aid from abroad.

Third, to continue projects that have the character of establishing equity and of expanding work opportunities.

Fourth, to provide funds for the operation and maintenance of projects that have been completed.

In other words, in the fiscal year of 1986-'87, there will be no new projects.

What we will do is to continue existing projects that still need to be completed.

Meanwhile, we will try to extend the time for the completion of projects requiring several more years to finish, with the purpose of alleviating the burden of development funds on a nation-wide scale. In the context of austerity, the construction of office buildings will be postponed if steps have not been taken yet to start the project.

This does not signify, nevertheless, that our development is undergoing a total stagnation. As I explained earlier, the development budget amounts to almost Rp 8.3 trillion. This sum consists of Public Savings of close to Rp 4.8 trillion and development revenues originating from abroad of Rp 3.5 trillion, these funds really need the best possible management and utilization, as effectively and efficiently as possible.

Indeed, the development budget for 1986-'87 is not as big as that for 1985-'86. This is the first time since we started to implement development, that the development budget has not risen but, conversely, it has diminished. However, that sum of almost Rp 8.3 trillion is still an adequate amount to attain progress.

and to intensify development. If we can use those funds more effectively and efficiently at a higher rate, the intensification of development will be more visible and tangible, not only in the fiscal year concerned, but it will also stimulate the acceleration of development in subsequent fiscal years.

Ladies and Gentlemen;

In the context of stimulating the economy and maintaining the pace of development, and in addition to the funds channelled from the state budget, it is hoped that funds will come from the community itself, either directly or through banking channels. This has become possible, because since the Government adopted the policy of reform in the banking sector in June 1983, stronger foundations were laid in banking so that the banks can increase their contribution in facing difficult times as the present. Hopefully the banking sector will be even more energetic in mobilizing private funds and also more active and creative in channelling those funds to productive economic activities.

In the mobilization of funds, the banking sector must be capable of promoting new concepts, such as the Rural Savings program, to mobilize funds in the rural areas, which has been pioneered by Bank Rakyat Indonesia.

Also the banking sector should improve the services and facilities for the provision of credits, particularly to projects that have high priority, such as to the economically-weak group, to activities that stimulate non-oil and gas exports, to undertakings that have great multiple impacts on other economic activities and labour-intensive works.

In view of stimulating the private sectors to invest and to conduct productive economic activities, particularly to face the

difficult situation and the limited development funds of the state, the Government will continue the measures that have been adopted up until now, such as the simplification of licensing procedures, the removal of various levies that have burdened the production costs and so forth.

Honourable House;

Thus, unlike the fiscal years through which we have passed so far, when in every new fiscal year all sectors almost always obtained an increase in their development budgets, for the forthcoming fiscal year of 1986-'87, almost all sectors will suffer a reduction in their development budgets.

Nevertheless, as reflected in the priorities we have so greatly sharpened, there are still four sectors that will receive development budgets in excess of Rp 1 trillion. Consecutively, —in order of the size of the development budgets made available for them— these four sectors are: (1) the sector of education, the young generation, national culture and faith in Almighty God; (2) the sector of agriculture and irrigation; (3) the sector of communication and tourism; and (4) the sector of mining and energy. Further, there is one sector, obtaining a development budget under Rp 1 trillion but above Rp 900 billion, namely the sector of regional, rural and urban development, that enjoys an increase by comparison with the present budget.

The Government is aware that the education sector still needs to receive much attention, because the development of education is an important prerequisite for the preparations to enter the stage of take-off, 13 years from now. This stage of take-off obviously needs Indonesians to be of ever-higher quality and inevitably this must be prepared from today through education in

the broad sense of that term. Besides this the desire of our society in general and our young people in particular, who crave for education and knowledge, must be catered to as well as possible.

We feel most relieved that we have been able before now to tackle part of the question of elementary education. The number of primary schools we have built during the last three REPELITA and the additional class-rooms we have made are now able to accommodate all school-age children from 7 to 12 years old. Therefore, whilst throughout REPELITA I up to REPELITA III we built tens of thousands of primary schools every year, in the present REPELITA IV we only need to build just a few thousand. In the 1986-'87 fiscal year we are going to build 2,200 INPRES primary schools to accommodate new school-age children, to fulfil the shortage of primary schools in remote areas and in newly-opened transmigration areas. We will as well build 10,000 new class-rooms and repair 95,000 existing primary school buildings.

Under the state's very limited financial circumstances, we continue to pay attention to the teachers, the educators of the youth of the nation. Therefore, even in this coming fiscal year, we will continue to build houses for headmasters and teachers, totalling no fewer than 44,000. In addition, tens of millions of text-books and reading books will be supplied for schools together with sets of sports equipment.

Much attention will also be given to the provision of facilities for secondary and high-schools. To that end, the construction of buildings for secondary and high schools will be continued and also for vocational schools of junior and senior levels. Even with sharpened priorities, the construction will also be continued of several campuses and laboratories, while scientific text-books and

the like will also be supplied. The construction will also be continued of several polytechnics which were started in the current fiscal year.

Funds made available for development activities in this sector will amount to around Rp 1.14 trillion, quite a large sum, even though it is not so large as the budget allocated for the current fiscal year.

In conformity with development priorities, the next sector that will continue to receive attention and high priority is development in the agricultural field. As I said just now, we have succeeded today in reaching a very high production level of rice. In this last year of 1985, it is estimated that our rice production reached 26.3 million tons.

Nevertheless, we must not absolutely slow down agricultural development activities, so that the agricultural field can truly be dependable in giving support to industrial development, in the context of balancing the structure of our economy. It is in this connection that, among other things, we are continuing to repair and maintain irrigation networks, conserving river basins and preserving the forests, the soil and water. We are also making continuous efforts to raise the volume of production and the quality of secondary crops, pulses, fruits and of stock-raising and fisheries. These activities are directed at diversification of crops in view of reinforcing the structure of our agriculture and of raising the incomes of farmers. In addition to the budget available for this, so that the above activities can be carried out, efforts will be made to stimulate undertakings by the farmers themselves by means of creating a good climate and through other policies conducive towards that end. Meanwhile, in the context of increasing non-oil and gas exports, expanding work opportunities

and raising the people's income, we will continue to develop estates growing rubber, oil palms, hybrid coconuts, ordinary coconuts and the like, both in large estates and small-holders estates. In this case, too, in addition to the budget from the state, it is expected that these activities will also be carried out by private business circles and by the farming community.

The fertiliser subsidy is included in this sector for agricultural and irrigation development, which in the coming fiscal year funds of over Rp 671 billion will be available, or an increase of around 20% on the present budget. Indeed, the amount of the fertiliser subsidy is quite large, because, the use of fertiliser continues to increase, while the Government still wishes to sell fertiliser to farmers at quite a low price, so as to continue to encourage the farmers to increase production and, simultaneously, to improve the incomes of millions of farming families.

The size of the fertiliser subsidy reflects the Government's determination, ever under the extremely limited circumstances of the state's finances, to continue to stimulate activities in fields that can raise the income of the largest segment of our society.

Thus, the budget available for development of the agriculture and irrigation sector is a little over Rp 1.1 trillion. That is still quite a large amount, even though it is not as big as the allocated amount in the present budget.

Further, the following development sector with an important role in maintaining the movement of the economy is the sector of communications and tourism. The budget available, although not as much as the budget in the current fiscal year, still amounts to over Rp 1 trillion. Its use will be concentrated upon continuing the construction of communications infrastructure on land, at sea and in the air as well as telecommunications. We will continue

the construction of hundreds of kilometres of new roads, which are at present being built in various parts of our Country, such as the roads being built between Nabire and Ilaga and between Merauke and Tanah Merah in Irian Jaya, the road between Sangkurilang and Muara Wahau in East Kalimantan, and so forth. In the context of facilitating the transport of goods on routes with dense traffic, we will continue to build the toll roads Jakarta-Cikampek, Padalarang-Cikeunyi, Surabaya-Gempol and Belawan-Medan-Tanjung Morawa. Besides this, in order to maintain what already exists, we will continue to carry out rehabilitation, maintenance and upgrading of the quality of roads and bridges already built.

Under economic conditions that will be difficult, increasingly more attention must be given precisely to the development of economic activities in isolated areas, in the context of facilitating the flow of goods through pioneer shipping, which is simultaneously linked with efforts to expand equity. Therefore, we will continue to develop pioneer shipping. Also priority will be given to pioneer flights by, among other things, the addition of six Cassa aircraft, as our own products.

The next development sector to obtain priority is that of mining and energy. Activities are mainly concentrated upon continuing the construction of power stations and transmission networks, which are at present being built in various places. Continuation of electrification is intended to continue to support industrial activities and the economy in general, to support cottage industries and to expand services to the public. Besides this, the development of rural electrification will also be continued, which is warmly welcomed by rural communities. The budget for development of the mining and energy sector is envisaged at a little over Rp 1 trillion.

Meanwhile, important activities in the mining sub-sector are continuation of developing the Bukit Asam coal mine, as well as continuing studies about the possibility of mining in other places in the context of diversification in the use of energy resources.

Next, I shall give a brief explanation of development in the industrial sector.

In the coming fiscal year funds of Rp 489 billion will be earmarked for development in the industrial sector. Activities will be oriented towards continuing the activities at present being carried out in the development of this sector. In this connection, I need to mention that industrial development activities in general will be far more intensive than what is mentioned in the state budget, because many industrial activities will be carried out by state-owned enterprises and by the private sectors. In this respect, the Government will continue to stimulate capital investment, both domestic and foreign investment, including through—as I have already mentioned above—simplifying licensing procedures, removing unnecessary levies, facilitating credit provision, especially soft-term credits for undertakings that have priorities.

Development activities in the industrial sector are basically continuation of undertakings being conducted to date, such as reinforcing and consolidating the structure of industry, reducing dependence upon the import of capital goods and raw materials, increasing exports, promoting small-scale industries and hand-crafts, developing soft-ware and improving the quality and number of expert personnel, skilled labour and entrepreneurship.

In consequence of the disadvantageous developments in the world economy, all kinds of industries are at present in a slump. However, on the other hand, there are a number of industries

that display stable growth; these include industries that conduct export programs and industries that support the agricultural sector. For the industries that are in a slump, the Government is trying as hard as possible to overcome the difficulties by linking it, at the same time, with the efforts to improve the competitiveness and with the targets of strategic policies already laid down, so the solutions to this problem will continue to be in conformity with the orientation of industrial growth for both the medium and long terms.

We also understand that in order to facilitate the course of development towards a modern society, mastery of science and technology is necessary. Therefore, we must not neglect development in this sector. The budget allocated for the sector of science, technology and research in 1986-'87 will be almost Rp 170 billion.

Honourable House;

Under any conditions whatsoever, the principal goal of our development is always directed to undertakings that will constantly improve the people's prosperity. Therefore, even though the state's finances are extremely limited, we will keep trying to continue development of sectors that sustain improvement of well-being.

It is in this context that we will continue development of the sectors of health, social welfare, promotion of the role of women, population and family planning. For the forthcoming fiscal year, the budget appropriated for this sector is around Rp 311 billion, a sufficient amount to continue the on-going development activities. Amongst other things, activities will cover intensification and expansion of health services for the public

and improvements to environmental health. To this end, aid for medicines for every person, which amounts to Rp 275 at present, will be increased to Rp 325. In addition, we will build 100 Public Health Centres, 1,000 Auxiliary Public Health Centres, 200 Mobile Public Health Centres, whilst 1,600 Public Health Centres and Auxiliary Public Health Centres will be repaired. We will also build 450 houses for doctors and para-medical personnel in isolated areas. In order to raise the level of rural public health, we are going to build over 59,000 sources supplying clean drinking water. We are also going to continue our efforts to lower the infant mortality rate and the drive to improve the quality of life for children. Meanwhile, we will also intensify the national family planning program, for which a budget is available that is still adequate.

Other aspects of the people's welfare that can be felt directly and for which, indeed, the people long, are housing and good residential environments. For this purpose, we will continue the numerous undertakings we have carried out so far, such as the building of housing by the National Housing Agency (PERUMNAS)* and by private sector, using credit facilities available from banks, rehabilitation of villages, improvement of urban kampungs, and increasing the supplies of clean water in both large and small towns.

In the context of improving the people's welfare, and simultaneously to distribute development equitably and to open new areas, we are also going to continue and to consolidate transmigration activities, which will also be connected to the opening of new estates in the context of the nucleus estate program

* PERUMNAS - PERUMahan NASional

(P)R)*. The funds available for transmigration activities for the coming fiscal year amount to Rp 325 billion.

Besides this, in order to up-grade the abilities of our manpower and to help the public in making it easier to find a field of work, a budget of Rp 69 billion is earmarked for the manpower sub-sector.

The development of cooperatives is very closely related to improving the people's welfare. In this respect we are concentrating efforts and activities upon promoting the capacities of primary cooperatives, especially of Village Unit Cooperatives, so they can become one of the pillars sustaining the national economy, particularly the economy in rural areas that involves the greater part of our people. A budget of Rp 52 billion is available for these activities in 1986-'87.

Honourable Speaker,

We reiterate our determination to keep on improving the people's prosperity and making it equitable, with regional, rural and urban development, which is capable of activating the regional economic life and of expanding job opportunities. The budget available for 1986-'87 is almost Rp 939 billion, which is larger than the budget allocated for the current fiscal year.

Whilst the development budget for the other sectors is less than what is provided in the current fiscal year, the increase in the budget for regional development shows that the development of the regions and the villages continues to have a high priority in the context of constantly stimulating economic activities among the public at large, in order to expand work opportunities

*) PIR = Perkebunan Inti Rakyat.

and to raise the income of the public at large. In addition to the appropriated funds, we expect that regional development can also be intensified with the quite significant increase in regional revenues originating with the higher regional income from the Property Tax. It is expected that all this can be carried out and utilised in conformity with our Trilogy of Development.

I wish to mention some of the outstanding features about regional, rural and urban development activities.

Funds of almost Rp 99 billion are earmarked for the Village INPRES, this is a small increase on the present amount, mainly because of additions to the number of villages. As with the current fiscal year, each village will receive aid of Rp 1,350,000, which includes Rp 250,000 for Family Welfare Promotion (PKK)* activities. Experience so far shows that this aid for villages is of very great importance in stimulating the capabilities of the village to develop itself and to generate economic activities in rural areas.

For the District INPRES, a budget of over Rp 220 billion is set aside, slightly more than at present because of the increase in population. As with previous fiscal years, aid for the District is based upon the number of the population, with the calculation that aid of Rp 1,250 is given for every person, with the minimum aid for each District or Level-II Region of Rp 170 million.

Further, through the INPRES for Level-I Regions (Provinces and Special Territories) a budget of Rp 280 billion is available, with minimum aid of Rp 10 billion and maximum aid of Rp 12 billion for each Level-I Region, as at present. We are also going to continue the INPRES for road upgrading, which is of great

* PKK = Pembinaan Kesejahteraan Keluarga

benefit for facilitating road construction in all regions. The budget available for this will be Rp 130 billion.

Next, in the context of building the "development man", of building the complete Indonesian human being, we will also continue to pay attention to development in the sectors of religion, law, information, the press and social communication, conservation of natural resources and the environment, in keeping with our existing capacity.

So, too, with regard to development in the sector of the state apparatus and the sector of national defence and security, even though with a limited budget, it is expected to be able to continue the development so far carried out. For 1986-'87 the budget available for the sector of state apparatus will be Rp 127 billion, while a budget of Rp 554 billion will be available for the sector of national defence and security.

We are all aware that our increasingly tough national resilience and the ever-stronger oneness of the Armed Forces and the people are guarantees for the safety of our nation and country. We are sure that the Armed Forces will be able to make the utmost use of the limited funds available to maintain and utilise in the best possible manner the equipment and armaments they possess, and simultaneously to carry out the dual functions of the Armed Forces as well as possible in this era of national development.

Honourable House;

This is the Draft State Budget for 1986-'87 which the Government could prepare on the basis of the realities and the available capacities and the estimated conditions in the year ahead.

Indeed, a difficult and hard field of struggle stretches out before us.

We will enter that field of struggle with a realistic attitude. But with the conviction and the hope that we will be able to reach the targets laid down in REPELITA IV, namely to create the foundational framework for building up the Pancasila society which is our ideal.

With a realistic attitude, we fully understand the capabilities we have and the possible situations that may emerge. With that realistic attitude, our consciousness and full determination are awakened to overcome together all the obstacles and challenges, no matter how hard they may be, motivated by none other than the spirit of the fighter, by working hard to increase the output of our respective works in an atmosphere of togetherness, cohesiveness and unity.

We are convinced that with a realistic attitude, by seeing a future that hold hope and by rekindling the fighting spirit, there will be no obstruction we cannot surmount, there will be no obstacle we cannot remove, and there will be no difficulty we cannot overcome.

It is with such a spirit and determination that I invite this Honourable House to jointly discuss this Draft State Budget for the fiscal year of 1986-'87 and to finalise it right on schedule.

With that determination, praying God Almighty for physical and spiritual fortitude, from this forum I urge all ranks of the civil service and the Armed Forces, all socio-political forces and mass organisations, all farmers, all fishermen, all workers, all ranks of the intellectuals, the women, the youth and students, the religious followers—in short, all the ranks and generations of our nation—to close ranks, shoulder to shoulder and to work hard in order to be able to make the best possible contribution

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to the success of our development in the third year of REPELITA
IV in particular, and to the success of the development of our
nation in general.

Thank you.