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SECRET
EMBASSY OF THE
UNITED STATES OF AMERICA

JAKARTA

SECRET

August 10, 1973

MEMORANDUM

TO: The Ambassador
THRU: DCM
FROM: E/CM - Carleton C. Brower
SUBJ: What Happened While You Were Away

International Paper Company (SECRET)

Attached is Methven's memo recording his conversation with Bell. Bell phoned Stu yesterday to report a new development: General Sumitro is now out, having been bought off with a concession elsewhere in Kalimantan, and Suharto has taken over the entire INFRECO concession for himself. IPC is out in the cold.

Danny Inverso, IPC's Indonesia representative, came to see me today. He confirmed all the essential points of Bell's report, adding that he had just reported all of this himself by letter to Yoho in the United States. He stressed that the matter was of the most extreme sensitivity; that Suharto would brook no interference; that any attempts by the U.S. Embassy to intervene at whatever level would be useless, embarrassing, and highly counterproductive in terms of IPC's future business dealings in Indonesia. He begged us to take no action whatsoever.

Suharto, according to Inverso, does intend to rape the concession for the biggest and quickest personal financial gain.

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