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BACKGROUND: US INTERESTS IN SUMATRA~~CONFIDENTIAL~~

- I. The US has provided the principal market for Indonesia's output of rubber and tin, the former produced chiefly in Sumatra and the latter in adjacent small islands.
 - A. American investments (some \$120 million), concentrated in Sumatra, total some 10% of total foreign investment in Indonesia.
 - B. Two American oil companies, Stanvac and Caltex, operate in Central and South Sumatra, and produce some (5½ million tons a year)--50% of Indonesia's crude oil. Two American rubber companies, Goodyear and US Rubber, operate estates in North Sumatra. These and other American rubber interests in the area produce some 11% of Indonesia's rubber (about 5% of the world's supply).

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