

PREM19

68

INDONESIA

(President Suharto visit to  
UK, November 1979)

Confidential Filing

Visit by President Soeharto of Indonesia.

INDONESIA

June 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>22.6.79</del>							
<del>16.7.79</del>							
10.9.79							
<del>28.9.79</del>							
<del>18.10.79</del>							
<del>23.10.79</del>							
<del>29.10.79</del>							
30.10.79							
2.11.79							
14.11.79							
15.11.79							
20.11.79							
21.11.79							
26.11.79							
27.11.79							

PREM 19/68



Indonesia JS

10 DOWNING STREET

*From the Private Secretary*

27 November 1979

The Prime Minister has asked me to thank you for your letter and for so kindly forwarding, on behalf of the President of the Republic of Indonesia, the generous gifts of coffee, tea, and a beautiful length of silk material.

Mrs. Thatcher is delighted with all these, and would be grateful if you could pass on her most sincere thanks to your President.

CAROLINE STEPHENS

His Excellency Mr. Saleh Pasarah

JS



*Indonesia*

Foreign and Commonwealth Office

London SW1A 2AH

*h. Rmt*  
26 November 1979

*Dear Manting*

Thank you for your letter of 12 November about the State Visit of President Soeharto of Indonesia.

The Chancellor asked for a short FCO brief on the question of aid to Cambodia which could be readily adapted to answer letters from his constituents. I enclose a copy of the current stock letter which we are using in dealing with MPs' letters. I hope this meets your needs. But the situation in Cambodia is constantly changing and our stock letter is regularly updated. We shall be glad to draft replies to future letters on Cambodia that are addressed to the Chancellor, if you would forward them to us.

We receive many letters from MPs about recognition of Pol Pot. A change in our policy may soon be announced. We would, in any case, be prepared to reply to letters on this rather sensitive issue.

I am copying this letter to Michael Alexander (No 10).

*Yours ever*  
*R M J Lyne*

(R M J Lyne)

M A Hall Esq MVO  
Private Secretary to the Chancellor of the Exchequer  
Treasury Chambers  
London SW1

LETTER

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your letter of about Cambodia.

The British Government fully recognise the serious situation in Cambodia which has been highlighted by press and television reports. We are actively supporting the efforts of the international relief agencies who are undertaking a massive emergency programme to provide assistance to the starved and disease-stricken Khmer people. A build-up of relief supplies for Cambodia is under way, although the situation leaves no room for complacency. The difficulties have been, and still are, formidable. Quite apart from the reluctance of the Vietnamese and the "authorities" in Phnom Penh to see help given evenhandedly to all parts of the country there are the immense problems of inadequate facilities at ports and airfields in Cambodia, and the shortage of transport to lift the relief supplies. The international and voluntary agencies are doing all they can to overcome these problems.

/The

Enclosures—flag(s).....

The Secretary-General of the United Nations, Dr Waldheim, convened a special conference in New York on 5 November as the result of which countries of the free world made pledges in cash and kind, amounting to US\$ 210 million. The British representative at the conference was the Minister for Overseas Development, Neil Marten. I enclose a copy of his speech in which he outlined in some detail the Government's relief programme.

Including the British share (17%-18%) of the relief effort by the European Community, the value of our programme is some £7.245 million. By its size and timeliness it has been an example for many other countries to follow. The International Committee of the Red Cross (ICRC) several times conveyed their appreciation, especially for the achievements of the RAF Hercules aircraft which for a month carried vitally important transport, supplies and foodstuffs between Bangkok and Phnom Penh. The Hercules has now been replaced by an R.A.A.F. aircraft.

Besides the Government's help for the ICRC, UNICEF and also for the United Nations High Commissioner for Refugees, who is helping Cambodians outside their own country (especially in Thailand), we have also supported the British voluntary relief agencies. The splendid work that these agencies have done has owed a great deal to the generous response that the British public have made to appeals on the refugees' behalf.

7  
6  
5  
4  
3  
2  
1

26 NOV 1979



INDONESIAN AMBASSADOR

23rd November 1979

*Dear Prime Minister,*

Upon instruction of the President of the Republic of Indonesia, I have the honour herewith to forward to you, Prime Minister, and Mr. Denis Thatcher a souvenir personally from the President and Madame Soeharto.

Please accept, Prime Minister, the assurance of my highest consideration.

A handwritten signature in black ink, appearing to read 'Saleh Basarah'.

SALEH BASARAH

The Rt. Hon. Margaret Thatcher, M.P.  
The Prime Minister  
10 Downing Street  
London S W 1

*Collected a  
tablecloth  
length material.*





Original  
in G/K. cc Feb  
19  
Indonesian

10 DOWNING STREET

THE PRIME MINISTER

21 November 1979

Dear Mr. Newsom.

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA : HUMAN RIGHTS

Thank you for your letter of 13 November in which you expressed the concern felt by yourself and a number of other Members of Parliament about the State Visit of President Soeharto of Indonesia.

Her Majesty The Queen paid a most successful State Visit to Indonesia in 1974 and the invitation to President Soeharto was extended, in part, so that Her Majesty should be able to reciprocate the hospitality that She received.

Britain, unlike some other Western Governments, has not recognised the Indonesian annexation of East Timor. The Indonesians were told at the time of their intervention of the concern which it had provoked in this country. The extent of the deprivation in East Timor occasioned by the events of 1975 and subsequent fighting is only now becoming clear. There are no entirely accurate reports of what happened or of how many people have died, but we welcome the fact that the Indonesians have now allowed the International Committee of the Red Cross to mount a relief operation. As you may know, the EEC has contributed to the ICRC appeal. Peter Blaker raised the matter with the Indonesians during the State Visit and was assured that the Indonesian Red Cross had been delivering relief supplies to East Timor since 1977, and that aid was now moving in in quite substantial quantities.

You also referred to the Indonesian Government's record over political detainees. This has greatly improved since they

/embarked

JS

embarked on their programme of releasing or bringing to trial by the end of 1979 all the people kept in custody since the events of 1965/67. Many thousands of detainees have so far been released. According to official statistics there were just over 8,000 still in detention on 1 September and over 4,000 more have been freed since then. More releases are expected, in pursuance of the Government's policy. Amnesty International's estimated figure of 30,000 detainees is certainly no longer accurate.

You may be aware that a delegation of Amnesty International called on the Indonesian Foreign Minister here in London on 15 November. Successive British Governments have considered that progress in human rights is more likely to be achieved by maintaining relations with countries, even though their performance in this respect might leave something to be desired, and that we should take advantage of such a relationship to make clear the importance that we and the Western democratic countries attach to human rights issues. We are watching carefully the programme of releases as it unfolds and hope that it will be completed by the end of the year.

As far as our aid policy is concerned, Indonesia is still one of the poorer developing countries and we think it right to maintain a continuing programme there.

Yours sincerely  
Margaret Thatcher

Stan Newens, Esq., M.P.

---



T 146/79T

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T146/79T

INDONESIAN AMBASSADOR

R2011  
K.S. Nunt

Dear Madame Prime Minister,

President Soeharto instructed me to forward the following message sent from the Presidential plane:

"Before leaving British airspace, I would like once again wish to convey my personal sentiments of appreciation for the warm hospitality which was accorded to me, my wife and my party.

The frank exchange of views and discussions we had with yourself and other British ministers greatly increased our understanding.

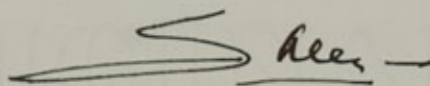
I would like once again to repeat my invitation to you to come and visit Indonesia at your convenience.

May God bless you and Mr. Thatcher.

SOEHARTO

President of the Republic of  
Indonesia"

Please allow me to add my own sincere gratitude for the excellent arrangements of the state visit and I avail myself of this opportunity to renew the assurance of my highest considerations.



( SALEH BASARAH )



JH  
Indonesia

10 DOWNING STREET

*From the Private Secretary*

15 November 1979

Visit of President Soeharto

As you know President Soeharto had talks with the Prime Minister here at No. 10 yesterday. I enclose records of both the tête-a-tête and the plenary sessions.

I am sending copies of this letter and its enclosures to Stuart Hampson (Department of Trade), Martin Hall (HM Treasury), Brian Norbury (Ministry of Defence) and Martin Vile (Cabinet Office).

M. O'D. B. ALEXANDER

R.M.J. Lyne, Esq.,  
Foreign and Commonwealth Office.

25

CONFIDENTIAL

cc. Master Set  
PM Tours Abd  
(Apr 79) 'Possible  
Visits by P.M.'  
Kampuchea (Oct 79)  
'Situation'

RECORD OF CONVERSATION BETWEEN THE PRIME MINISTER AND THE  
PRESIDENT OF THE REPUBLIC OF INDONESIA AT NO. 10 DOWNING STREET  
AT 12 NOON ON WEDNESDAY 14 NOVEMBER 1979

Present:

The Prime Minister	President Soeharto
The Rt. Hon. J. Nott, MP	Professor Mochtar
The Rt. Hon. W.J. Biffen, MP	Dr. Widjojo
The Lord Strathcona and Mount Royal	HE Mr. Saleh Basarah
Mr. P.A.R. Blaker, MP	Mr. Joop Ave
Sir M. Palliser, GCMG	Mr. Nana Sutresna
Mr. H.A.H. Cortazzi, CMG	
Mr. T.J. O'Brien, CMG, MC	
Mr. M.O'D.B. Alexander	
Mr. C. Anson	
Mr. R.P. Flower	

\* \* \* \* \*

The Prime Minister introduced her colleagues and explained that Lord Carrington had unfortunately had to attend the Conference on Rhodesia at Lancaster House and could not be present. She said that during their tête-à-tête discussion which had just finished, she and the President had discussed trade matters. The President had thought that the terms of credit offered by Britain were not as generous as those of some of her competitors. They had agreed that bilateral trade should be expanded, and the President had outlined his plans to develop the Indonesian economy.

The Prime Minister said that she and the President had also discussed the situation in Cambodia, which would become critical during the present dry season. The Pol Pot forces were still quite strong and would fight it out with the Vietnamese during the coming 5 months. The Prime Minister had emphasised that

/practically no

CONFIDENTIAL

CONFIDENTIAL

- 2 -

practically no one could support the Pol Pot regime and that the British Government was under strong pressure not to continue to recognise it. President Soeharto had told her that the Vietnamese Prime Minister had assured ASEAN countries in 1978 that Vietnam would not cause them any trouble, and that Indonesia had been surprised when Vietnam invaded Cambodia. The problem was now to find a leader strong enough to take the country over. The refugee problem would destabilise the area and was intended to do so, especially by upsetting the delicate racial balance in such countries as Malaysia. The Prime Minister had explained to the President that that was one of the reasons why Britain had agreed to accept refugees for resettlement.

The Prime Minister said that she had also assured the President of UK support for ASEAN. Britain had strong historical links with South East Asia, and we wished to retain our influence in that area as much as possible.

President Soeharto said that ASEAN countries were developing co-operation between themselves in order to increase national resilience because only by developing co-operation in the economic, social and even military fields could they face up to their common problems successfully. The main need was to develop economic self-reliance. To this end, they were seeking co-operation on a bilateral and regional basis with the developed countries. Indonesia was aware that the European Community and particularly Britain also had an interest in enhancing economic co-operation.

Dr. Widjojo added that ASEAN countries were developing a system of trade preferences amongst themselves and had also embarked on a number of joint ventures. An ASEAN telecommunications network was in operation, using an Indonesian satellite. It was important for ASEAN to maintain a dialogue with the European Community, Japan, the USA, Canada, Australia and New Zealand. He hoped that rapid progress would be made with the proposed Co-operation Agreement between ASEAN and the EEC and that a draft would be agreed this month. Indonesia wished to export more to the EEC and to diversify her trade. Particularly important areas were textiles and plywood.

/The Prime Minister

CONFIDENTIAL

CONFIDENTIAL

- 3 -

The Prime Minister said that the textiles industry was also important for the UK. We had 900,000 people working in the industry, more than in the coal and steel industries put together. As patterns of world trade changed, new skills must be learned, but an economy could not be transformed overnight. Britain needed to negotiate arrangements which would be satisfactory both to her and to others.

Mr. Nott said that Indonesia was party to the Multi Fibre Agreement within which the UK was trying to be as liberal as possible. Our textile industry had shrunk by some 200,000 employees during the last few years, and was still a sensitive area. Negotiations with Indonesia were being conducted by the European Community. Imported textiles often represented very good value, but it was necessary to consider both the producer and the consumer.

Concerning plywood, Mr. Nott said that Britain was encouraging the EEC to be more forthcoming. Some members (Belgium, Italy and West Germany) had plywood industries of their own and were therefore less sympathetic.

President Soeharto referred to efforts by South East Asian countries to co-operate in reinforcing their political stability. The problems of Indo-China increased the need for this. Professor Mochtar emphasised the importance of recent events especially in Thailand. The Thai Government had taken a major decision to reverse their previous policy of sending refugees back into Cambodia. Now they were accepting as many as they could, and there were already 300,000 refugees in Thailand. The problem was to move the refugees inland from the border areas, but some were not willing to be moved as they were fighting troops who had merely come into Thailand to collect food. The situation was potentially very dangerous. The presence of international relief organisations in the border areas was a further complication. The Vietnamese were intent on using the dry season to defeat the Khmer Rouge decisively, but only 3 weeks ago he had been told by Ieng Sary of his confidence that the Khmer Rouge would not be

/extinguished.

CONFIDENTIAL

CONFIDENTIAL

- 4 -

extinguished. Effective resistance was continued in the north-east and centre of Cambodia as well as in the west and in the mountains.

The ASEAN countries had received considerable support for their initiative in proposing a resolution which would be voted on in the UN General Assembly this week; they already had 22 co-sponsors from a wide spectrum of countries including Algeria. This would strengthen the hand of ASEAN and of the Cambodian people in increasing diplomatic pressure for a settlement of the problem. ASEAN had already contributed to preventing the Vietnamese from turning their control of the battlefield to political advantage. The Vietnamese saw Cambodia as an internal matter. This was a clear violation of the normal principles governing inter-state relations but comprehensible historically. The Khmer Rouge were an offshoot of the Vietnamese Communist Party and so the struggle was seen in Vietnam as being one between two factions of the same party. It was a family quarrel intensified by ideological fanaticism. Outsiders could do little, and the Thai Government's policy was designed to save as many Cambodians as possible. There <sup>was a</sup> real danger of the extinction of the Khmer people. In opposing the claims of Heng Samrin there was a danger of becoming identified with Pol Pot. Indonesian spokesmen had made it clear that they did not support Pol Pot but had to maintain the principles of non-intervention and of the non-use of force against independent states.

Mr. Blaker said that Britain was backing the ASEAN resolution and had spoken in support of it. We had indeed been ready to co-sponsor it but the ASEAN countries had understandably said that they preferred sponsorship from non-Western countries. Pol Pot was a "rude word" in Britain and faced us with difficult problems. But we agreed that Heng Samrin had been brought to power by the Vietnamese army and so could not be supported. Did the Indonesians have any views on a possible new regime such as one under Prince Sihanouk? The Prime Minister said that she had tackled Premier Hua Guofeng about this but he had not held out much hope for Sihanouk.

/Professor Mochtar

CONFIDENTIAL



CONFIDENTIAL

- 5 -

Professor Mochtar said that this was a very important question. The Cambodian President, Khieu Samphan, had said in Havana that he was really desperate - he realised that he could no longer insist on preserving the Pol Pot regime, and was trying to get the views of all Cambodians (including Lon Nol, Son Sann and the Khmer Serei) and was even willing, if a Front for National Unity materialised, to offer Prince Sihanouk the leadership. Khieu Samphan had also said that for some months now Pol Pot cadres had been undergoing re-education to stop them killing Cambodian people - whatever their affiliations. A week after the Havana Conference, Prince Sihanouk had rejected Khieu Samphan's ideas. Given that he had lost four of his five children at the hands of Pol Pot this was hardly surprising. Sihanouk was now concentrating on becoming the leader of Cambodians in exile and in providing humanitarian assistance; he was playing for time. The dry season offensive would be decisive. The Vietnamese must understand that they could not get away with their aggression and must be forced to negotiate. It was important to know Soviet and Chinese views and intentions. He, Dr. Mochtar, had been very frank with the Vietnamese and had told them that by their actions they were inviting intervention by these powers in the affairs of South East Asia. The Vietnamese had said that they could not withdraw from Cambodia because then Pol Pot would reassume power. Professor Mochtar had asked them how they reconciled this position with their argument that Heng Samrin was in charge, but they had not been able to answer.

Professor Mochtar had tried to persuade the United States Government to use their leverage on the Chinese not to do anything rash. The USA should enter into diplomatic relations with Hanoi since otherwise they would have no influence there. If they did so, they would obtain leverage not only in Hanoi but also with China, which was inclined to take American support for granted. But the Americans were not prepared to do so. Sir M. Palliser said that they could hardly be expected to do so in an election year.

The Prime Minister said that there appeared to be little hope for the people of Cambodia in this battle to the death. She had obtained little comfort from Hua Guofeng. Professor Mochtar

said that the

CONFIDENTIAL

CONFIDENTIAL

- 6 -

said that the Chinese, Vietnamese and Cambodians were all very cynical about human life. Sir M. Palliser said that during the Prime Minister's talks in Bonn last week, the Germans had emphasised the need to support Thailand in order to save life. The Prime Minister said that the Chinese had evidently calculated very carefully that there would be no Russian intervention when they had invaded Vietnam, but that the invasion had caused them more difficulties than they had anticipated and that it was unlikely to be repeated. Mr. Blaker said that there must be concerted pressure on the Vietnamese to recognise that the present situation was not supportable. If the war were not too savage the situation might gradually improve because of the relief which was now being supplied. President Soeharto said that the distribution of this was difficult to control and supervise, but that although a lot of pilfering was bound to take place, the bulk of the aid seemed to be reaching the people. Aid delivered to Thailand certainly would reach those in need.

Dr. Widjojo said that Indonesia was concerned about developments in the world economy, and in North/South relations. He recognised the United Kingdom's generosity in waiving repayment of past aid loans and hoped that other countries would do likewise. The next round of negotiations on the Common Fund would be particularly important to ASEAN, whose countries were mostly exporters of commodities. Some progress had been made on individual commodity agreements, but more work was needed. He referred to the proposal that negotiations should be held between energy exporting and importing countries, but said that Indonesia would not support this unless it was linked to other aspects of development co-operation. He hoped for a positive response to the call from the Group of 77 for global negotiations on economic matters. The Paris Conference had not been very fruitful but a new effort should be made within the framework of the United Nations; many countries had not attended the Paris Conference and so had not felt committed to its results.

/Mr. Nott

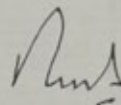
CONFIDENTIAL

CONFIDENTIAL

- 7 -

Mr. Nott said that Britain strongly encouraged trade and supported an open market, with only a few exceptions (including textiles). We encouraged investment in foreign countries and had recently removed controls on such investment. We supported the proposal for a Common Fund (and would welcome having its headquarters established in London) but would look at individual proposals for commodity agreements on their merits - more progress would be made that way than by a global approach. We did not want existing institutions such as the GATT or the IMF to be undermined by the creation of new bodies whose effectiveness was uncertain. However, we understood the need for safeguards to protect developing countries.

The Prime Minister thanked the President for coming and for the frank exchange of views. President Soeharto expressed his own thanks and invited the Prime Minister to visit Indonesia. The Prime Minister replied that this was a tempting invitation. The meeting concluded at 1300.



15 November 1979

CONFIDENTIAL

ft Master set  
of Vietnamese Refugees.

CONFIDENTIAL

Indonesia

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE  
PRESIDENT OF INDONESIA, PRESIDENT SOEHARTO, AT 10 DOWNING STREET  
ON WEDNESDAY 14 NOVEMBER AT 1120 HOURS

---

Present:

The Prime Minister  
Mr. Michael Alexander

President Soeharto  
Mr. Joop Ave

\* \* \* \* \*

Having welcomed the President, the Prime Minister said that, so far as she was aware, there were no bilateral problems between Britain and Indonesia. She was anxious that relations between the two countries should be as close as possible, both in order to develop trading links and also because in the world today, the problems of South East Asia concerned this country vitally. She asked President Soeharto for an account of the present situation within Indonesia.

President Soeharto said that it was only in the last 10 years that economic development in his country had really got under way. Indonesia still lacked technical skills and capital. His Government was just beginning its third 5-year plan. The first 5-year plan had been devoted to developing the raw material potential of the country and the second 5-year plan to moving into the production of semi-finished goods. He hoped that in the third 5-year plan Indonesia could begin to concentrate on fully-finished goods. In this context, his Government were interested in bilateral co-operation and capital investment. This would be of mutual benefit to both Indonesia and Britain. The role played by British investors in recent years had been much appreciated. They played a major part in trade in Indonesia but there was room for greater participation by Britain in export credits and capital investment. The Prime Minister asked whether the dominant role played by the Japanese in the region meant the terms they gave were better or that their goods were superior. President Soeharto said that the Japanese were very competitive. British credit terms were far more expensive.

CONFIDENTIAL / President Soeharto

CONFIDENTIAL

- 2 -

President Soeharto referred to the concept of "national resilience". This involved an attempt to increase Indonesia's economic, political, military and cultural strength. Of these various areas, the economic was the one which gave rise to most concern. It was imperative that this should be got right. The Prime Minister agreed and said that unless a nation was prosperous, it was impossible for it to defend itself.

The Prime Minister asked whether President Soeharto thought that the Vietnamese had deliberately created the refugee problem in order to destabilise the area. President Soeharto said that when Pham van Dong had toured the area he had said that the Vietnamese Government wished to establish healthy relations with its neighbours and intended to act on the basis of a policy of non-interference. The Vietnamese invasion of Kampuchea had therefore bewildered the people of South East Asia. It had led the Indonesian Government to wonder whether the purpose of the Vietnamese Government was not in fact to destabilise the area. The Prime Minister would be familiar with the Communist doctrine of trying to exploit existing or potential trouble spots in such a way that it looked as though the deterioration in the situation was inevitable. The expulsion of the Chinese and the consequent creation of the refugee problem had a dual purpose from the point of view of the Vietnamese Government. On the one hand the departure of the Chinese reduced the number of people who had to be fed in Vietnam and brought a good deal of money to the Government. On the other hand, the arrival of the Chinese in neighbouring countries tended to destabilise the region. The problem was particularly acute for Malaysia.

The country hardest hit by the crisis in Kampuchea was Thailand. The influx of refugees was putting a terrible strain on Thailand. It was still unclear what would happen in Kampuchea but the outcome would be determined by developments during the coming dry season. The Vietnamese army was being reinforced and hoped to crush Pol Pot. However, Pol Pot remained strong and intended to fight to the end. The Prime Minister said that the British Government found itself in a difficult position over the

CONFIDENTIAL situation

CONFIDENTIAL

- 3 -

situation in Kampuchea. Pol Pot might be able to hold out but the Government were under constant pressure to withdraw recognition from him. Many of his actions in the past had been intolerable. Heng Samrin was a puppet of the Vietnamese and it would be impossible to recognise him. Because of the difficulties we wished to keep in close touch with our friends in ASEAN. President Soeharto said that his views and those of the Prime Minister were very close. ASEAN agreed that Heng Samrin could not be recognised. They also agreed that Pol Pot's actions could not be condoned. ASEAN's guiding principle was that foreign intervention could not be tolerated. Their longer term objective was to work for a situation where Kampuchea was given an opportunity for self-determination. This would of course be very difficult. The first requirement would be to find a leader strong enough to rally the Khmers. The alternatives so far suggested included Prince Sihanouk and Son Sann. However, it would only be possible to evaluate the position thoroughly once the dry season campaign was finished in 5 or 6 months' time. The Prime Minister and President Soeharto agreed that whatever the ultimate outcome, it was clear that a terrible time was in prospect for the people of Kampuchea.

The discussion ended at 1200 hours.

*Phn.*

14 November 1979

CONFIDENTIAL

Indonesia

JOINT STATEMENT ON THE TALKS BETWEEN THE PRIME MINISTER AND  
PRESIDENT SOEHARTO OF INDONESIA AT NO 10 DOWNING STREET ON  
14 NOVEMBER 1979.

On the occasion of the State Visit of HE the President of the Republic of Indonesia to Britain from 13-16 November, President Soeharto was received by the Prime Minister, the Rt Hon Margaret Thatcher MP, this morning at No 10 Downing Street. They were joined for talks by the Secretary of State for Trade (Mr John Nott), the Minister of State for Foreign and Commonwealth Affairs (Mr Peter Blaker), the Chief Secretary (Mr John Biffen), and the Minister of State for Defence (Lord Strathcona). President Soeharto was accompanied by the Foreign Minister (Dr Mochtar Kusumaatmadja) and the Minister for the Economy (Dr Widjojo Nitisastro).

The President and Prime Minister discussed a number of international problems including the situation in South East Asia, with special reference to the problem of Cambodia, which threatens the stability of the region, and to the movement of refugees, whose arrival in ASEAN countries has placed a heavy burden on their economies. They agreed on the need for continued international action to resolve these problems.

They also discussed the world economic situation and reaffirmed the importance which they both attach to closer links between Indonesia and the United Kingdom, and between the European Community and the Association of South East Asian Nations. They expressed confidence that trade and co-operation between the two countries would continue to strengthen and develop.

They also welcomed the exchange of notes between their Governments on the arrangements under which scheduled air services between the UK and Indonesia will be resumed next year.

INTERNATIONAL TELEPHONE CONSULT TELEPHONE  
INTERNATIONAL TELEGRAMS POST OFFICE  
TELEGRAPHS TELEGRAMS  
INTERNATIONAL TELEPHONE CONSULT TELEPHONE  
INTERNATIONAL TELEGRAMS POST OFFICE  
TELEGRAPHS TELEGRAMS  
INTERNATIONAL TELEPHONE CONSULT TELEPHONE  
INTERNATIONAL TELEGRAMS POST OFFICE  
TELEGRAPHS TELEGRAMS

~~Mr Alexander~~  
~~Not known to me~~  
el.  
13/11

h.s.

Nov 13 11 01

NNNN  
ZCZC CLF431 LBK224 GLB6384 CWA921 JWU952 PSB/JKTLN084 JKT3038/13

QBXX HL 1AXD 140  
JAKARTA 140/137 13 1300

2 13/11

LFS0307

LT  
THE PRIME MINISTER OF THE UNITED KINGDOM  
MADAME M THATCHER DOWING STREET 10  
LONDON SW1

ROYAL INTERNATIONAL  
TELEGRAMS LONDON  
13 NOV 1979  
EUROPEAN OFFICE  
ET ROTTERDAM  
ENQUIRIES DIAL 01-838  
1222 Ext 2088

IN CONNECTION WITH THE VISIT OF PRESIDENT AND  
MADAME SUHARTO OF INDONESIA TO THE UK ALLOW ME TO  
CONVEY ALSO ON BEHALF OF MY WIFE OUR SINCERE  
CONGRATULATIONS WITH THE ACHIEVEMENT THE UK  
GOVERNMENT UNDER YOUR EMINENT LEADERSHIP HAS  
GAINED TO FOSTER FRIENDSHIP AND UNDERSTANDING  
BETWEEN BOTH OUR NATONS THANK YOU FOR YOUR KIND  
REMEMBRANCES WE RECEIVED

Prime Minister: A  
handwritten reply to  
your message of  
best wishes - given  
to the Ambassador  
when he called the  
other day.

~~THROUGH~~ THROUGH THE COURTESY  
(Deputy Chief of Mission)  
OF OUR DCM IN LONDON I MAY HAPPILY RECALL THE  
TIME WE ENJOYED YOUR SINCERE ASSISTANCE AND TOKEN  
OF FRIENDSHIP BESTOWED UPON MY FAMILY WHEN LIVING  
IN YOUR CONSTITUENCY AS AMBASSADOR TO THE UK  
ALLOW ME TO AVAIL ON BEHALF OF MY WIFE AND MYSELF  
OF THIS OPPORUNITY TO CONVEY TO YOU MADAM OUR  
HIGHEST CONSIDERATION

Lt. Phil 13/11

SINCERELY YOURS

BM DIAH

*[Handwritten signature]*

COL LT 10





10 DOWNING STREET

Prime Minister.

It was agreed with the  
Indonesians some time ago that  
there would be no speeches  
at lunch to-morrow. Only  
wards.

Paul

13.11.79



Foreign and Commonwealth Office

London SW1A 2AH

13 November 1979

*Dear Michael,*

## STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA

On 9 November I enclosed two sets of briefing by the Foreign and Commonwealth Office.

---

I now enclose two copies of:

- (a) revised Points to Make on East Timor (Brief No 11). Ministers will wish to be able to say in Parliament that they have discussed this, in view of publicity in the press for reports of bad conditions in the territory. Unless the subject comes up in the plenary at No 10, we propose that FCO Ministers should raise it separately with the Indonesian Foreign Minister.
- (b) a Supplementary Brief on Iran; as fellow Muslims the Indonesians might be able to represent to the Iranian authorities the need to protect diplomats and foreign Missions. But the chances of the Indonesians taking a robust line are not great.

Copies of this letter and of the briefing go to the Private Secretaries to the Chancellor of the Exchequer; the Secretary of State for Trade; the Secretary of State for Energy; the Minister of State for Defence (Lord Strathcona); and the Parliamentary Under-Secretary of State for Industry (Mr Marshall). A copy also goes to Martin Vile (Cabinet Office).

*Yours ever*  
*Roderic Lyne*

(R M J Lyne)

M O'D B Alexander Esq  
10 Downing Street



Foreign and Commonwealth Office

London SW1A 2AH

*b/w Hqs.*  
*Rm*  
13 November 1979

*Dear Stuart,*

STATE VISIT BY PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER

I wrote to you on 18 October about President Soeharto's request that Mr Nott should call on him at 3.00 pm on 14 November at Buckingham Palace; Catherine Capon replied on 22 October with Mr Nott's acceptance.

The Indonesians have now indicated to our Ambassador at Jakarta their strong interest in holding further talks at Ministerial level. I understand that Mr Nott will be free to receive Professor Widjojo Nitisastro, the Indonesian Minister for Economic, Financial and Industrial Affairs, at 11.00 am on Wednesday 14 November, immediately prior to the plenary session of talks at No 10 Downing Street in which both Mr Nott and Professor Widjojo will participate. The Indonesians have indicated that Professor Widjojo may be accompanied by the State Secretary, Mr Soedharmono.

This meeting will give the two Ministers an opportunity for the sort of detailed discussion of trade and economic matters which would not fit so easily with this call on President Soeharto. This could then take on the character of a courtesy call.

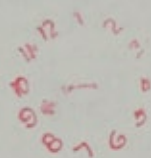
I am copying this letter to Michael Alexander at No 10 Downing Street.

*yours ever*  
*R M J Lyne*

(R M J Lyne)

Stuart Hampson Esq  
Private Secretary to the Secretary of State for Trade  
Department of Trade  
1 Victoria Street  
London SW1

1 FEB 10 1979





Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

12 November, 1979

*Dear Roderi,*

*H. S. P. M. S.*

State Visit of President Soeharto of Indonesia

Thank you for your letter of 9th November, enclosing a set of briefs. As I have told your South East Asia Department, the Chancellor has a prior commitment to see the Greek Minister of Co-ordination, Mr. Mitsotakis, and will not, therefore, be able to take part in the talks. The Chief Secretary has, however, agreed to take part. The Chancellor and Lady Howe will come to the Prime Minister's Lunch.

Brief No.5 prompted the Chancellor to comment that he receives a great number of letters from constituents criticising British policy in South East Asia, and particularly on aid to Cambodia. He would be very grateful for a short FCO brief, preferably one readily adaptable to stock replies to constituents. I apologise for this chore, but would venture to suggest that in the long run it should save work for the FCO!

I am copying this letter to Michael Alexander.

*Yours ever,*

*ME*

M. A. HALL

R. M. J. Lyne, Esq.,

12 NOV 1973

10 11 12 1 2 3 4 5  
6 7 8

COVERING CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

9 November 1979

Dear Michael,

State Visit of President Soeharto of Indonesia

As requested in your letter of 10 September, I enclose two sets of briefing by the Foreign and Commonwealth Office.

FSide behind  
file

Copies of this letter and of the briefing go to the Private Secretaries to the Chancellor of the Exchequer; the Secretary of State for Trade; the Secretary of State for Energy; the Minister of State for Defence (Lord Strathcona); and the Parliamentary Under Secretary of State for Industry (Mr Marshall). A copy also goes to Martin Vile (Cabinet Office).

yours ever  
Roderic Lyne

(R M J Lyne)  
Private Secretary

M O D B Alexander Esq  
10 Downing Street  
LONDON

COVERING CONFIDENTIAL

NOV 1919

11 12 1 2 3 4 5  
6 7 8 9



STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA

13-16 NOVEMBER 1979

INDEX TO BRIEFS

<u>Flag</u>	<u>Brief No</u>	<u>Subject</u>
A	1	STEERING BRIEF (with attached Fact Sheet on Indonesia)
B	2	INDONESIA, BACKGROUND
C	3	ANGLO-INDONESIAN POLITICAL RELATIONS
D	4	ANGLO-INDONESIAN COMMERCIAL RELATIONS
E	5	INDO-CHINA
F	6	ASSOCIATION OF SOUTH-EAST ASIAN NATIONS (ASEAN)
G	7	EEC/ASEAN RELATIONS
H	8	BRUNEI
I	9	UK AID POLICY WITH SPECIAL REFERENCE TO INDONESIA
J	10	AIR SERVICES
K	11	EAST TIMOR
L	12	OUTLINE PROGRAMME OF THE STATE VISIT
M	13	BIOGRAPHICAL NOTES
N	14	INDONESIAN HISTORY TO PRESIDENT SOEHARTO'S ACQUISITION OF POWER (Note prepared at the request of Buckingham Palace for Her Majesty The Queen)
O	15	SINO-SOVIET RIVALRY IN ASIA
P	16	VISIT OF PREMIER HUA GUOFENG
Q	17	INTERNATIONAL ECONOMIC PROSPECTS
R	18	RHODESIA
S		MAP

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER 1979

SUPPLEMENTARY BRIEFING: IRAN

POINTS TO MAKE

General

1. Situation in Iran totally confused. We are all aware of need to avoid situation where West's bridges with Iran were all broken down.

US Embassy Siege

2. We and our partners in the Nine are doing all we can to pressurise the Iranians. Can Indonesia do anything from the Islamic stand-point?

3. It is in the interest of all countries to keep up pressure on the regime to fulfil its international responsibility to protect diplomats and foreign missions. It is unacceptable to make such protection conditional on eg return of the Shah; to accept such a condition would create a deplorable precedent.

CONFIDENTIAL

ESSENTIAL FACTS

1. Bazargan's resignation had long been expected but the circumstances of his departure were alarming. The Revolutionary Council is now completely in control of Iran. There will be a loss of a restraining influence which will encourage the extremists and inflame xenophobic feelings. The position of foreigners is becoming difficult. Iranian behaviour was condemned by the Security Council on 9 November. The next step will be an end to the deliberations on a new Constitution, and the creation of a theocratic state controlled by Khomeini.

2. The Gulf States have for some months been alarmed by statements made by Iranian clergy in effect urging the spread of Shia revolution. Ministers of the Bazargan Government recognised the danger of conflict and described such statements as unauthorised. But with power in the hands of the Revolutionary Council, the Gulf States - and Iraq - must see an increased risk that Iran will seek to export her revolution. Danger of open conflict with Iraq. Relations with the Soviet Union are quiet. She is playing her cards carefully and will exploit any opportunity which presents itself.

3. The conflict with the Americans endangers the position of the West in Iran as a whole. Not only is Iran even further from setting her economic house in order (and thus renewing worthwhile trade with the West) but the refusal by the Americans to make a concession on the Shah may tempt Khomeini to use the oil weapon. If the United States and American oil majors were denied the 800 - 900,000 bpd now being exported, the international oil market would be gravely unsettled both in terms of supply and prices.

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER 1979

BRIEF NO 1: STEERING BRIEF  
(with attached Fact Sheet on Indonesia)

1. President Soeharto's visit is in return for the State Visit to Indonesia by Her Majesty The Queen in 1974. The President has not been here before, but he has paid State Visits to the United States (twice), Belgium, France, Germany, Italy and the Netherlands. Accompanying the President on the present occasion are Madame Soeharto, the Indonesian Foreign Minister (Professor Mochtar), the Minister for the Economy (Dr Widjojo) and the State Secretary (Lieutenant-General Soedharmono). Personality Notes are given in Brief No 13.

Programme

2. The four-day State Visit includes one morning of talks, calls by British Ministers on the President, a half-day of visits to an agricultural research institute and a farm, and (for Madame Soeharto) sight-seeing. Hospitality includes a State Banquet at Buckingham Palace (and a return Banquet by the Indonesians) a luncheon by the Prime Minister and a Banquet at the Guildhall. Brief No 12 gives the Outline Programme.

The Talks

3. A tête á tête meeting with the Prime Minister on 14 November will be followed by a plenary session attended by Indonesian Ministers and (for the British side) the Chancellor of the Exchequer, the Lord

/Privy ...

CONFIDENTIAL

CONFIDENTIAL

Privy Seal and Mr Blaker; Mr Nott (for the Department of Trade) and Lord Strathcona (for the Ministry of Defence). Lord Carrington, Mr Nott and Mr Howell will also call on the President.

Objectives

4. We seek to impress the President with our goodwill towards him and his country - thereby strengthening existing good relations, and putting us in a good position to take advantage of increased trading and investment opportunities in Indonesia when the economy there begins to take-off. The visit offers the opportunity to convey our views on East-West relations to the leader of a founder-member of the Non-Aligned Movement, whose influence continues to be for moderation. We can also explain our Rhodesia policy. The Sino/Soviet dispute as it affects South-East Asia, Indo-China, Brunei and EEC/ASEAN relations are other topics which are of interest to both sides, and we can repeat our belief in ASEAN as a major factor for stability in South-East Asia.

Tête à Tête

5. President Soeharto is the first Indonesian Head of State and Government to visit the United Kingdom; the Prime Minister may wish to cite this as illustrating the importance we attach to the visit and to Indonesia's growing influence in world affairs. The Prime Minister could stress our concern for closer bilateral relations

/with ...

CONFIDENTIAL

with Indonesia, and the part we are playing in strengthening EEC/ASEAN links (Briefs Nos 3 and 7). She could convey that we attach importance to Indonesia's views, especially on South-East Asian developments which affect Indonesia closely. If there is time there could be general discussion about East/West relations; otherwise this could take place at the next session.

Plenary Session

6. Sino-Soviet rivalry in Asia (Brief No 15) and a report on Premier Hua Guofeng's visit to the United Kingdom (Brief No 16) could lead on to discussion of Indo-China including the refugee problem; the Cambodian famine; and the Government's relief programme. The Prime Minister could outline our criteria for recognition, noting that Pol Pot no longer meets them (Brief No 5). The Indonesians will also want to know Mrs Thatcher's assessment of the likelihood of a Rhodesia settlement (Brief No 18).

7. The Prime Minister will wish to discuss projects for increasing Anglo-Indonesian trade (Brief No 4) and to remind the Indonesians that as restrictions on UK investment abroad have been removed, in pursuance of the Government's strategy for economic growth, companies will doubtless look at investment in Indonesia; but that their decisions will be commercially-based and the Indonesians must smooth their path, otherwise investment will go elsewhere.

/8. ...

8. The Indonesians will expect discussion on world economic prospects (Brief No 17). This could be further developed when Mr Nott calls on the President (this might be an appropriate time to refer to Air Services, Brief No 10) and during Mr Howell's call. There could also be reference to aid (Brief No 9); the Prime Minister may wish to re-affirm our commitment to a worthwhile aid programme for Indonesia, but could add that aid has had to bear its share of the cuts in public expenditure which are necessary if the British economy is to be set on its feet.

8. There are no major bilateral issues to be raised at the plenary session, but Lord Carrington may want to allude, for the record, to the subject of political prisoners (Briefs Nos 2 and 3) - perhaps when he calls on the President. Discussion on Brunei (Brief No 8) could take place later between the Lord Privy Seal (or, in his absence, Mr Blaker) and Professor Mochtar. The Lord Privy Seal could refer to President Soeharto's assurance to <sup>Mr. Blaker</sup> ~~him~~ in Indonesia that he took a favourable view of British policy. Discussion of EEC/ASEAN relations (Brief No 7) could take place at the plenary session. The Indonesians have said that they want to discuss 'Western protectionism' (a point that exercises the Singaporeans). But we know of no points of friction in Anglo-Indonesian trade.

South East Asian Department  
FOREIGN AND COMMONWEALTH OFFICE  
6 November 1979

FACT SHEET ON INDONESIA

1. Area: 2,027,087 sq kms. There are over 13,000 islands spanning 3,000 miles - equivalent in distance to Dublin - Moscow. Java, where half the population lives, is about the size of England and Wales.

2. Population: 143 million (1977)

Current rate of growth of population about 2% per annum. Indonesia is the third most populous non-communist state.

3. Religion: Muslim 90%  
Buddhist/Hindu 6%  
Christian 4%

4. National Language: Bahasa Indonesia (a form of Malay). English is taught in secondary schools.

5. GNP Total: US\$40,610 million (1977)  
Per capita: US\$284 (1977)

<u>Balance of Payments</u> (US\$ million):	<u>1977</u>	<u>1978</u>
Exports	10,763	10,998
Imports	7,478	8,309
Invisibles and transfers (net)	3,335	3,912
Capital account	1,100	1,406
<b>OVERALL BALANCE</b>	<u>+ 998</u>	<u>+ 99</u>

<u>International Reserves</u> (US\$ million):	<u>1977</u>	<u>1976</u>
Total	2,509	2,626
Months of imports covered	2.74	2.54

<u>Foreign Trade</u> (percentages):	<u>1973</u>	<u>1976</u>
-------------------------------------	-------------	-------------

Main Exports

Petroleum and petroleum products	50.1	70.3
Wood, lumber and cork	18.1	9.2
Rubber	12.2	6.2

Major Imports

	<u>1973</u>	<u>1976</u>
Manufactures	85.1	74.5
Foodstuffs	9.9	13.8
Oil	1.8	7.8

Main Export Markets

	<u>1973</u>	<u>1978</u>
Japan	53.2	41.2
USA	14.5	- 27.8
Singapore	10.6	6.7
FRG	3.7	2.4
(UK)	(1.0)	(0.5)



<u>Main Sources of Imports</u>	<u>1973</u>	<u>1978</u>
Japan	29.3	30.4
USA	18.8	11.7
FRG	7.2	8.0
Republic of China	-	4.9
Singapore	4.9	5.5
(UK)	(3.8)	(2.9)
<u>UK Trade with Indonesia</u>	<u>1973</u>	<u>1978</u>
Exports	£33 m	£84 m
Imports	£15 m	£33 m
Balance of trade in the UK's favour	£18 m	£51 m
Position in UK's Export League Table	51 (of 91)	61 (of 150)

South East Asian Department  
FOREIGN & COMMONWEALTH OFFICE

5 November 1979

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER 1979

BRIEF NO 2: INDONESIA

BACKGROUND BRIEF

Presidential System

1. President Soeharto is the executive Head of Government. He was named President in 1968, elected by the People's Consultative Assembly in 1972 and re-elected in March 1978 for a further five years. Further elections are due in 1982/83. Parliament is already being invited to enact bills strengthening the Government's hold on electoral machinery. It cannot be doubted that the electoral result will be acceptable to the President.

The Army and Recent History

2. For President Soeharto's survival he depends on the support of the Armed Forces, especially the Army, which provide the organisation and discipline that hold the country together. The Armed Forces played a leading role in winning independence from the Dutch and still retain much of the popular support which they enjoyed.

3. An attempted coup d'état in 1965, in which several Generals were murdered and the Indonesian Communist Party (the biggest in South-East Asia) was believed to have been implicated, was followed by widespread blood-letting, in which many thousands of Chinese and Indonesians met their deaths. General Soeharto, then in charge of the strategic reserve, led the move to re-establish order and later managed, by deploying unsuspected political flair, to displace President Sukarno. His authority has since been unchallenged.

Official Policy

4. Under President Soeharto's 'New Order' the Government has concentrated on economic development and on preventing a resurgence

/by

CONFIDENTIAL

**CONFIDENTIAL**

by the Communists (whose party is still banned) and extremist Muslims. In international affairs it has pursued a co-operative and moderate policy especially towards its fellow members of the Association of South-East Asian Nations (ASEAN).

Consensus Politics

5. In keeping with Javanese tradition, the Government tries to operate by consensus on the basis of the Pancasila, the five principles (belief in a supreme God, humanity, unity of the State, democracy and social justice). The last elections for Parliament were held in May 1977. Candidates of the Government-supported Party GOLKAR won 232 of the 360 elected seats in Parliament, and, together with 100 nominated members (representing various interests including the Army), provide the Government with a three-quarters majority. Voting is rare but the two minority parties, the PPP (a coalition of Muslim groups) and the PDI (a coalition of nationalist and Christian parties), acquire a measure of influence by insisting on their point of view before yielding. But Government interference in their affairs is considerable.

Religion

6. Approximately 90% of the population of Indonesia declare themselves to be Muslims, although many are Muslims in name only and are much influenced by traditional religious beliefs, particularly in Java. President Soeharto, himself a Muslim, is deeply interested in 'Javanese mysticism'. Four per cent of the population is Christian, including four Government Ministers; the previous Ambassador to London was a Catholic. The Government is moderate in religious affairs and keeps a close watch on extremist Muslim sects (and their Arab backers) lest they disturb public order and, on the analogy of  
/events

**CONFIDENTIAL**

CONFIDENTIAL

events in Iran, try to seize power. Official sensitivity to militant Muslim organisations is reflected in the recent refusal to allow the PLO to open an office in Jakarta. But foreign missionaries, too, are being progressively excluded.

Human Rights Observance

7. Less value is attached in Indonesia than in the West, to the importance of allowing criticism of Authority. The ideal of consensus involves listening to, and taking into account, the views of minorities, but when a consensus is reached it is expected to be generally observed; subsequent opposition is considered to be dissidence. This traditional attitude was reflected also in the former Dutch colonial administration which made frequent use, in such cases, of detention and exile. Indonesian liberals today are critical of provisions originating with the Dutch which are still in force (based originally on legislation in British India) providing penalties for spreading 'hatred of the Government'. Thirty-six students are still being tried in groups for "insulting behaviour" during the last election.

8. Despite this background, civil liberties are, at least by Asian standards, fairly well-preserved. Arbitrary arrest is uncommon and the few vocal opponents of the Government are well aware of limits that must not be overstepped. There is no recent evidence of torture of prisoners. Although the Government 'guides' the press and occasionally suspends or closes newspapers, comment critical of the Administration appears and there is some justice in the Indonesian press' claim that it is the freest in South-East Asia. The Government itself has taken widely publicised (but not always effective) measures against corrupt or oppressive officials and members of the Armed Forces,

/but

CONFIDENTIAL

CONFIDENTIAL

but the campaign has, latterly, run out of steam; a brother of the President has escaped his just deserts, and there is increasing criticism of the Government's failure adequately to deal with high-level corruption.

Political Prisoners

9. Many of the 650,000 people arrested after the attempted coup d'état in 1965 remained in detention without trial for years, but following a change of policy (partly in response to Western urging) nearly all of them have now been released. It remains to be seen whether the Government will live up to its undertaking to bring to trial or release all the detainees by the end of 1979; a senior Police Official has let slip that 92 'diehards' will not be released. A dozen Muslim political activists remain in detention since minor bombing incidents at the Presidential Elections in 1978.

10. Released detainees are no longer officially obliged to remain in the area of their former imprisonment, but they do not enjoy full civil liberties and are not eligible for official employment; a serious disadvantage. They are frequently shunned when they return to their home villages.

The Economy

11. Indonesia's Gross National Product is much bigger than that of the other four ASEAN countries, but income per head of population is much lower than that of the other countries. The annual rate of population growth has fallen from over 3 per cent to about 2 per cent. Over 50 per cent of the population is under 25 years of age, and the number of people will rise to 200 million by 1980. Population growth (and resulting unemployment) is Indonesia's most intractable problem.

12. The world's twelfth largest oil producer, Indonesia depends heavily on oil earnings for investment funds. Oil production is

/stagnant

CONFIDENTIAL

stagnant and expected to fall (exploration is depressed following clashes of interest between the Government and the oil majors).

But the steep rise in oil prices has more than offset effects of declining production; the immediate problem is to sanitize surplus receipts, lest they add to inflationary pressures (now running at an annual rate of 30 per cent). People in the public sector, 80 per cent of wage-earners, have had no countervailing wage increase, and there is widespread discontent on the score.

13. The realisation that Indonesia might be unable to depend on oil revenues to the same extent as in the past was an important factor behind the Government's substantial devaluation of the rupiah in November, 1978. This was intended to make labour-intensive industries in Indonesia competitive with those in other low-cost countries; to stimulate exports of manufactured goods; and to attract foreign investment. Subsequent lack of nerve led the Government to seek to cushion vulnerable sectors of the population from the harshest effects of the devaluation - thereby reducing its value. However, imports have indeed been cut, and a current account surplus of US\$2 billion is foreseen in 1979. Efforts are being redoubled to develop small labour-intensive industries.

14. Indonesia's main resources for export, including oil and natural gas, timber, rubber, palm oil and minerals, lie in the outer islands where population is sparse despite Government attempts to encourage 'transmigration'. Java, with 70 per cent of the population but only 7 per cent of the country's land area, is the most fertile island but cannot grow enough food for the population's need. Indonesia has been the world's largest importer of rice and its dependence on the market is unlikely to disappear. However the coming rice harvest

/is

is expected to be one of the biggest on record; imports in 1979 may be held down to 1.5 million tons.

Foreign Policy

15. Indonesia is a member of OPEC, the Non-Aligned Movement, and the Group of 77 and is influential in Islamic councils. But she has come to base her foreign policy on membership of the Association of South-East Asian Nations (ASEAN). By far the biggest member and the location of ASEAN's Secretariat-General, Indonesia sees herself as the eventual leader of the grouping, whose members have come to work increasingly closely together in face of the Communist threat from Indo-China.

16. But the Indonesians have been to the rear in the development, as they are apprehensive of the long-term threat from China and have wanted to believe that the Vietnamese (whose struggle for independence some Indonesians consider analogous to their own) could be a reliable buffer to Chinese influence. Over 45,000 Vietnamese 'boat people' reached Indonesia, where a processing centre is being built on Galang Island for those with resettlement offers elsewhere. Most of the refugees were ethnically Chinese and their presence has fuelled the latent anti-Chinese animus of most Indonesians. There is no likelihood of diplomatic relations being re-established with China.

17. Although ASEAN has no defence capability its members co-operate bilaterally; the Indonesians are in close touch with the Malaysians on naval and military matters and have discussed weapons' standardisation with them.

18. Following the Vietnamese invasion of Cambodia in December 1973 and the later Chinese attack on Vietnam, Indonesia went along with the increasingly assertive ASEAN policy in the UN Security Council,

/where

**CONFIDENTIAL**

where resolutions were tabled calling for the withdrawal of foreign forces; the resolutions would have been carried had not Russia vetoed them. But there is a body of opinion in Indonesia which considers that there should be a return to the more traditional Indonesian national approach to Vietnam.

19. The Indonesians were much disquieted by Cuba's efforts to propel the Non-Aligned Movement towards the Soviet Union (like other ASEAN governments the Indonesians have recently declined to accept shore visits by the Soviet Navy). Indonesia has come to attach more rather than less importance to true non-alignment; she will continue to work with other moderate states for a return to the Movement's first principles.

South East Asian Department  
Foreign and Commonwealth Office

6 November, 1979.

**CONFIDENTIAL**



CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER 1979

BRIEF NO 3: ANGLO-INDONESIAN POLITICAL RELATIONS

POINTS TO MAKE

General

1. Your visit (first by an Indonesian Head of State and Head of Government) a milestone in relations, and enables us to show regard for you personally and for your great country.
2. Distressed to hear of the recent earthquake in West Java.  
Extend sincere sympathy to the bereaved.
3. No problems between UK and Indonesia. Hopes of improving level of trade. Already useful exchanges on the defence side. Indonesia could look to us for defence equipment in which she is interested.  
A British naval squadron has recently been to Jakarta and Bali.
4. Our contacts with South-East Asia of long standing; but greater interest now that ASEAN (of which Indonesia is an influential member) is playing an increasingly important role on the world stage.
5. Our policy to support ASEAN as a factor for peace and stability (for example at the United Nations). Our support for the Cambodian item in the United Nations General Assembly is an example.
6. A major reason for sponsoring the United Nations Conference on Indo-China refugees in July was to alleviate the burden the boat people posed on ASEAN countries, including Indonesia.

Political Prisoners

7. A courageous step to agree to release or bring to trial all prisoners by the end of 1979. Will you be able to carry out this programme in full?

CONFIDENTIAL

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER  
1979

BRIEF NO 3: ANGLO-INDONESIAN POLITICAL RELATIONS

ESSENTIAL FACTS

General

1. Relations with Indonesia are cordial but lack much substance. They are founded on a degree of mutual regard and interest, and on similarity of outlook on many world problems. Most Indonesians have little knowledge of or inclination towards Britain (as many of them still have towards the Netherlands) but neither is there any legacy of colonial resentment.

2. The United Kingdom needs to be on good terms with Indonesia because of Indonesia's geographical position, astride the air and sea routes between Europe and the Middle East on the one hand and Australasia and the Far East on the other. She is a potentially lucrative market, and is acquiring increasing self-confidence on the international scene. The Germans (and French) have been sedulously cultivating Indonesia; in competing with them we have a number of advantages, based on our long and cordial relations with the countries of the region.

Visits

3. Mr Parkinson, the Minister of State for Trade, visited Indonesia in June. Mr Blaker was there in September and was received by President Soeharto. The early marks of attention from the new British Government were much appreciated. Professor Mochtar, the Indonesian Foreign Minister, had discussions with

/Mr Blaker

CONFIDENTIAL

Mr Blaker when Mochtar was briefly in London in September after attending the Havana Non-Aligned Summit. President Soeharto's State Visit to the United Kingdom and its attendant publicity will further boost Britain's stock in Indonesia.

English Language Teaching

4. English is the first foreign language and is widely used in Indonesian schools and universities, but the standard is generally low. The British Council and members of Voluntary Service Overseas are helping to improve English teaching at universities.

5. In April the British Council moved into new premises incorporating a Centre for an aid-related English teaching programme, principally funded by ODA. The Centre was opened by Mr Blaker and the Indonesian Minister of Education. The Council also operates libraries in Jakarta and Bandung and helps one in Medan. Because of cuts in our aid programme, the books presentation scheme has been suspended with only £6,000 of the £35,000 allocation for 1979/80 spent.

BBC

6. The Indonesian vernacular service is broadcast for nine hours a week. Audibility is quite good. In 1975 it was estimated that there was a regular audience of about 1,400,000 people.

7. Communist countries broadcast for 70 hours a week in Indonesian.

/Defence

Defence

8. Indonesia's allocation of funds from the United Kingdom Military Training Assistance Scheme (UKMTAS) in 1979/80 was £100,000. A small number of Indonesian students are under training here. A number of Indonesian delegations have visited British Defence establishments recently. When the Director of the Ministry of Defence's Military Assistance Office, General Fursdon, visited Jakarta in May, much interest was shown by Indonesians in British military courses and consultancy studies. The Chief of the General Staff, Sir Edwin Bramall, will be in Indonesia soon.

9. As part of this Autumn's RN task group deployment to the Far East, HMS Norfolk and HMS Arrow paid an informal visit to Jakarta in mid-October. There are prospects for significant defence sales, to include Scorpion tanks and ammunition, Plessey's military communications equipment, Mk 15 frigates from Vosper's, and a possible order for 8 more Hawk trainer aircraft to add to the 8 now being built, which will be delivered in Summer 1980.

Association of South East Asian Nations (ASEAN)

10. The British Government's policy of supporting ASEAN (of which Indonesia is an influential member) as a factor for peace and stability in South East Asia has undoubtedly added weight to the Anglo-Indonesian relationship. British interest in the Association has been manifest in public and confidential exchanges; the positive way in which the Government sought international help for coping with the burden posed for ASEAN countries by the

/Vietnamese

Vietnamese 'boat people' was greatly appreciated. The habit of co-operation at the United Nations between ASEAN countries and the Nine is well established, and has led the Indonesians to become more favourably disposed towards British policies in other fields.

Political Detainees

11. On the basis of cordial relations with the Indonesian Government, successive British Governments have made the Indonesians aware of the extent of concern in the United Kingdom at the long-term detention without trial of large numbers of people for political offences - mostly connected with the 1965 attempted coup-d'etat. Our interventions and those of other Western democratic countries may have influenced the Indonesians to embark on their policy of phased releases under which they have undertaken to let go or bring to trial all detainees by the end of 1979; only between 2,000 and 4,000 detainees are still held. Interest in the issue in the United Kingdom has for years been fuelled by a British woman, Mrs Carmel Budiardjo. She is the wife of an Indonesian Communist and was herself detained for a time in Indonesia, after renouncing her British citizenship. But she managed to re-acquire it and was then released. Her husband was imprisoned for longer but was eventually released and is now also in Britain. Having founded an organisation under the acronym TAPOL, she has for years conducted a campaign on behalf of detainees and against closer Anglo-Indonesian relations. On our advice the Indonesians have established contact with Amnesty International and other reputable organisa-

**CONFIDENTIAL**

tions, and have managed thereby to undermine support for Mrs Budiardjo's aims.

Note: Brief No 4 is on Anglo-Indonesian Commercial Relations  
Brief No 9 deals with UK Aid Policy with special  
reference to Indonesia

South East Asian Department  
FOREIGN AND COMMONWEALTH OFFICE  
6 November 1979

**CONFIDENTIAL**

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA:

13-16 NOVEMBER 1979

BRIEF NO 4: ANGLO/INDONESIAN COMMERCIAL RELATIONS

POINTS TO MAKE

1. We regret that the level of Anglo/Indonesian trade is not higher and hope it will expand.
2. There is scope for closer economic and technical cooperation which the Visit of the President and recent visits to Indonesia by British Ministers will help to encourage.
3. The UK will continue to encourage British firms to pursue investment opportunities in Indonesia. In this connection:
  - (a) the dismantling of our exchange control regulations should make it easier for British firms to invest overseas. But many countries want to make use of available investment funds; the Indonesians need to make greater efforts to sell themselves to our investors;
  - (b) we welcome the proposed Indonesian investment seminar which is planned for the UK in 1980; and
  - (c) the establishment of direct flights between Jakarta and London in November 1980 will, we hope, stimulate business visits in each direction.

CONFIDENTIAL

**CONFIDENTIAL**

BRIEF NO 4: ANGLO/INDONESIAN COMMERCIAL RELATIONS: ESSENTIAL FACTS

1. Commercial Relations with Indonesia are good so far as they go. Indonesia is not a country with which we have historically had close trade or commercial links. Bilateral trade in 1978 was under £120m, with the balance very much in favour of the UK. A note on our trade is annexed.
2. We could and should be doing better and it is certain that the Indonesians would welcome development of closer trade and economic ties with us (among others) if only to offset the dominance of Japan and, to a lesser extent, the USA in their country's commercial affairs. But apart from those two countries only West Germany has established influential relations.
3. Indonesia offers considerable potential for trade and economic cooperation. It is the fifth largest country of the world with a population of 140 million. It has, moreover, considerable raw material resources in addition to oil and natural gas, the revenue from which is the mainstay of its economy. There is a need, however, for Indonesia urgently to exploit her other resources and to develop a stronger industrial base; only thus can she increase her own security and contribute to the stability of ASEAN and S.E. Asia. For this Indonesia is looking for aid and investment as well as transfers of technology.
4. The UK is giving less support to Indonesia's development by way of aid or investment than are many of our competitors. There are a number of reasons for this, but if we are to achieve closer trade and commercial relations further efforts need to be made both

/at

**CONFIDENTIAL**



CONFIDENTIAL

at Government and industry levels. We are already improving Ministerial relations. There have been two visits by UK Ministers to Indonesia this year; Mr Parkinson (DOT) in May and Mr Blaker (FCO) in September. We are also giving more aid to Indonesia than to any other country outside the Commonwealth. Our competitors have, however, established more generous aid programmes and this has undoubtedly assisted their commercial efforts.

5. Agreement has recently been reached at Government level on direct flights by national air carriers between Jakarta and London beginning in November next year; business travel will thus be easier.

6. There are signs that UK firms are becoming more interested in Indonesia, though the interest has not yet been translated into an increased flow of trade. Here again our competitors have thrust ahead in some cases by linking commercial selling with investments. UK investment in Indonesia is barely 1% of total foreign investment in that country. The dismantling of UK exchange controls will make it easier for British firms to invest abroad and might stimulate more investment in Indonesia.

7. The BOTB continues to draw the attention of British firms to opportunities for trade in Indonesia and is ready to sponsor further missions. The possibility of mounting industrial exhibitions has been considered but much greater UK industrial interest in the market would be needed before such a venture could have any chance of success. The Germans recently held a major industrial exhibition in Jakarta in which 232 firms took part. It is too early to appraise results.

CONFIDENTIAL

8. Indonesia is not an easy market to penetrate. Even to sell good, competitive products a significant investment of time, money, patience and foresight is needed to develop the market. There is no scope for quick killings. Contract negotiations must go through the hands of an Indonesian intermediary who must persuade the cumbersome bureaucratic machine to open dealings with the British firm concerned. It is essential to find an effective Indonesian sponsor. In the face of such difficulties, we cannot expect rapid development of Anglo-Indonesian trade.

9. It is unlikely that the Indonesians will raise any particular trade problems with UK Ministers during the State visit. They are known to be slightly unhappy about their textile exports to Britain under the EEC/Indonesia multifibre arrangement, but this has not been a major bone of contention. Apart from that there is unlikely to be any criticism save the general one that we are not making as big an effort as we should in that market.

CONFIDENTIAL

## ANGLO/INDONESIAN TRADE

## BACKGROUND

1. Indonesia has not, historically, been a major market either for UK traders or investors. We have done rather better in neighbouring countries such as Malaysia and Singapore with whom we have close historic ties. Nonetheless, as the fifth most populous country in the World Indonesia is a market of size and potential and there is evidence of a growing interest in the opportunities which the market can provide for an increasing number of British firms. To sell successfully in Indonesia demands patience and a willingness to spend time and money establishing the right contacts and researching the market. As a result Indonesian/UK trade has tended to remain in the hands of the larger trading companies and others who have substantial marketing resources.

## UK/INDONESIAN TRADE

2. At present the UK share of Indonesia's imports stands at 4% (which is about the same as our share of world imports overall). The market is however dominated by Japan and the USA who together account for 45% of Indonesia's imports and who take 70% of her exports. UK/Indonesia trade over the past five years has been as follows:

	£m				
	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
UK Exports to Indonesia	46.6	59.5	80.6	87.5	83.6
UK Imports from Indonesia	14.4	15.1	22.3	28.7	33.4

As the figures show there was a fall in our exports in 1978 and this decline has continued into 1979, where the first six months figures reveal a fall of about 20% in the value of our exports.

3. Our main exports are metal manufactures, machinery and transport equipment. Our imports from Indonesia include coffee, tea, cocoa, spices, crude rubber, timber, cork and vegetable oils and fat.

/TRADE ...

TRADE PROSPECTS

4. Prospects for increased trade will depend heavily on Indonesia's ability to solve its economic problems and because these are substantial it seems unlikely that we can expect rapid growth in our trade in the foreseeable future. An increasing number of British firms are nonetheless pursuing business opportunities. Leyland are hoping to obtain an order for double-decker buses (to ease Jakarta's transport problems) and are negotiating a large contract for trucks and Land Rovers for the Indonesian Armed Forces. Elsewhere British firms are pursuing business in the field of power generation and distribution and in satellite communications and bridges. Interest is also being shown in Indonesia's airport development programme although the lion's share of that business seems likely to go to the French. British bankers and consultants are looking to provide Indonesia with expert help with a broad range of civil and industrial project developments. One factor in our favour is the Indonesian wish to diversify away from American and Japanese sources of supply.

INVESTMENT

5. The Indonesian economy depends to a large extent on overseas aid and investment. The latter is of particular interest to them at present and during a recent visit to Indonesia by the Minister of State for Trade Mr Parkinson - who received a very warm welcome - mention was made of their desire to seek UK involvement in the rehabilitation and extension of Indonesia's plantation industry, where we have particular expertise. A number of UK companies are pursuing possibilities in this field. Although overall UK investment in Indonesia is not very large, the dismantling of the UK's exchange control rules may make it easier and more attractive for British firms to invest in Indonesia.

Commercial Relations and Exports Department 2/3  
Department of Trade  
7 November 1979

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA, 13-16 NOVEMBER 1979

BRIEF NO 5:

INDO-CHINA

POINTS TO MAKE

General

1. We do not trust the Vietnamese, who are a destabilising factor in South-East Asia. Their invasion of Cambodia was unacceptable. We admire ASEAN's resolve in standing up to them; ASEAN can continue to rely on our complete support.
2. The Vietnamese grant of naval and air facilities to the Russians poses danger for peace in the region. ASEAN can rely on Western technology and trade, and will be able easily to outstrip Vietnam in economic development.

Refugees

3. The Geneva meeting on Indo-Chinese refugees (that Britain first called for) was relatively successful. Dr Waldheim promised there to report to the United Nations General Assembly on how the refugee situation was dealt with; we shall seek to debate the report. Since Geneva the number of refugees has dropped, but this has happened before, during the Monsoon. There is evidence of the Vietnamese Government conniving at some recent departures.
4. Indonesia has shown generosity to refugees. We hope that refugees from Hong Kong will be able to make use of the facilities on Galang Island for people with offers of resettlement outside the region.

Vietnam

5. Vietnam is over-extended in many areas. She has a big army facing China; probably more troops in Cambodia than the

CONFIDENTIAL

entire British Army; and an economy that is in a shambles.

6. But at present we see no sign that the Vietnamese or their Russian backers intend to relax their grip on Cambodia. (For Heng Samrin to allow ICRC/UNICEF aid into Phnom Penh suggests only that the famine is very grave.) It seems too soon for the free world to relax its condemnation of Vietnam.

7. Do you see an early opening for a political solution? Do you still intend to send a Minister to Hanoi? What results would you expect from this?

Cambodia

8. We have strongly supported ASEAN over the Cambodian item (which is still under discussion) in the General Assembly, calling for Vietnamese withdrawal; we were willing to co-sponsor it.

9. Our relief programme for Cambodia was both big and timely. In making a major effort to help, we wanted to encourage efforts to help Thailand, now beset by another wave of Cambodian refugees.

We know that other ASEAN members are worried about the situation there. We do not expect major hostilities to erupt on the border.

10. Prince Sihanouk might head a government of national unity if a negotiation were possible, to give international sanction to a neutral and independent Cambodia. But the Chinese will not easily reconcile themselves to the continuing influence there of Vietnam, which they regard as a Soviet agent.

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA, 13-16 NOVEMBER 1979

BRIEF NO 5

INDO-CHINA

ESSENTIAL FACTS

General

1. Soviet and Vietnamese objectives in South-East Asia coincide, but there is no love lost between the countries, and the Vietnamese are obstinately independent. The Chinese resent a strong and reunified Vietnam operating (as the Chinese see it) in the Soviet interest in a region where, historically, the Chinese have been pre-eminent. They will therefore not reconcile themselves to Vietnamese control of Cambodia. The involvement of Sino-Soviet rivalry in the region means that no negotiated solution will be easy.

2. In the longer term, Vietnam's talented population and rich natural resources will enable her to rival ASEAN for influence in South-East Asia and beyond. But before then, ASEAN, which relies on Western aid and trade, will far outstrip Vietnam in economic development and in the welfare of its population.

Vietnam

3. But now, after 30 years of war, the withdrawal of Chinese aid, and disorganisation of the advanced economy in the South due to forced communization, the national economy is in a shambles; massive Soviet (and COMECON) aid prevents collapse. Most non-Communist countries have embargoed more aid; the World Bank is likely to refuse new loans.

Refugees

4. Indonesia is concerned for the loyalty of its own Chinese  
/population

CONFIDENTIAL

population (numbering only about 4 million) and has tended to seek good relations with Vietnam as a buffer against a political and military threat from mainland China. (The Government is still flirting with the idea of sending a Minister to Hanoi for talks). Pro-Vietnamese sentiment has waned since the boat people exodus and the Vietnamese attack on Cambodia. A pre-disposition remains to give the Vietnamese the benefit of any doubts; nonetheless, the Indonesians have gone along with ASEAN policies critical of the Vietnamese.

5. Over 43,000 boat people may still be <sup>in</sup> Indonesia awaiting resettlement (there are over 60,000 in Hong Kong and 42,000 in Malaysia). The number has fallen as departures for resettlement outstrip the number of new arrivals following the Vietnamese Government's undertaking at the Geneva meeting on Indo-Chinese refugees to restrict illegal departures. We believe that the Vietnamese still intend to expel all their Chinese (another 800,000) and that they may find an excuse to do so when their agreement with the UNHCR fails, which was intended to allow an increase in the number of family reunification cases. Another Chinese attack could also lead to an increase in the number of expulsions.

6. A processing centre, capable of holding 10,000 refugees who have received resettlement offers, is under construction on Indonesia's Galang Island; it is financed by the United Nations High Commissioner for refugees, and we hope that refugees from Hong Kong may be accepted (no such assurance has been received).  
Cambodia

7. Partly for fear of increasing the number of hostile votes when East Timor is debated, the Indonesians have dragged their feet in supporting the ASEAN resolution calling for the Vietnamese

/to



to withdraw (we have given strong support and were willing to co-sponsor).

8. In September we voted with ASEAN, other non-aligned countries and the Romanians, in support of seating the Pol Pot representative. But much parliamentary opinion in the United Kingdom is critical of our attitude and the Secretary of State considers that it must be altered; the manner, and timing of the change is under consideration.

9. The Vietnamese are likely to succeed in mopping up remnants of Pol Pot's army along the Thai/Cambodian border (they may then announce that elements of the Vietnamese army will be withdrawn). Tens of thousands of refugees already have fled into Thailand, where the ICRC, UNHCR, and voluntary relief agencies are seeking to ameliorate their plight. The Thais are no longer seeking to expel the refugees.

Famine Situation

10. Dr Waldheim's pledging conference in New York on 5 November produced offers in cash and kind of over US\$210 million.

--- The British Government's contribution (details at annex) was greatly welcomed for its size and timeliness. The RAF Hercules aircraft provided at ICRC/UNICEF request has been performing invaluable work by ferrying relief supplies and food between Bangkok and Phnom Penh; the aircraft will remain on station until 18/19 November.

11. After a slow start, hindered by Vietnam's obstructiveness, the ICRC and voluntary relief agencies (among whom OXFAM have been prominent) are now increasing supplies and the number of their staff

/inside

CONFIDENTIAL

inside Cambodia. Together with supplies from the Soviet Bloc they appear, at last, to be making an impression on the appalling problem of famine and disease. The Indonesians like the other ASEANs are concerned about the effects on Thailand of the latest inflow of refugees; but they have not, as far as we know, provided much in the way of relief.

Negotiated Settlement

12. A neutral Cambodia, removed from Great Power rivalries would be a factor for stability. But Cambodia has become a pawn on the chessboard of Sino-Soviet rivalry. The Vietnamese (regarded by the Chinese as Soviet agents) are unlikely to risk leaving behind in Cambodia, if their army there is reduced, a government which is not friendly to them.

13. The Chinese will not tolerate this situation which they will regard as favouring the Russians. Heng Samrin is a Vietnamese puppet and has no power. But Prince Sihanouk could be an acceptable head of a government of national unity - although his stock in the region is now low. He is trying to form a unified Movement of Cambodians abroad. Meanwhile the Chinese are doing what they can to keep Pol Pot's army supplied, in an effort to keep the Vietnamese bogged down militarily in Cambodia.

Laos

Internal Situation

14. One eighth of the Laotian population has fled the country since the indigenous Communists seized power in 1975, backed by the Vietnamese army.

SOUTH-EAST ASIAN DEPARTMENT

7 November 1979

BRITISH RELIEF  
PROGRAMME  
FOR  
CAMBODIA

<u>Transport</u>	Value (rounded figures)
Provision of RAF Hercules at Request of ICRC/UNICEF for Bangkok-Phnom Penh airlift: 13 October to 18/19 November ... ..	£200,000
Charter of civilian CL 44 transport aircraft on behalf of OXFAM, Christian Aid, Save the Children Fund and British Red Cross: 26 October ... ..	£45,000
<u>Food Grains</u>	
Rice to the value of £1 m (at least 1,800 tonnes, plus transport and insurance) to be purchased by the World Food Programme for distribution in Cambodia by ICRC/UNICEF ...	£1,000,000
<u>Money</u>	
US\$1 m made available to British voluntary agencies ... ..	£500,000
US\$4 m for disbursement through ICRC/UNICEF: available financial year 1980/81 ... ..	£2,000,000
	<hr/> £3,745,000
<u>British Share of Aid allocation made by the European Community</u>	
Between 17% and 18% of EEC contributions ...	£3,500,000
of £20.5 million (30.5 million Units of Account)	<hr/> £7,245,000 <hr/>

**CONFIDENTIAL**

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER  
1979

BRIEF NO 6

ESSENTIAL FACTS

ASSOCIATION OF SOUTH-EAST ASIAN NATIONS (ASEAN)

1. Founded in 1967 by Thailand, Malaysia, Singapore, Indonesia, and the Philippines to promote their economic growth, social progress and cultural development, ASEAN has developed much greater cohesion since the Communists' seizures of power in Indo-China in 1975. ASEAN's member Governments are generally democratic and conservative and their representatives are by now well accustomed to consulting together (at all levels) on matters of mutual concern, and to harmonizing their views before entering into negotiations at international meetings. Membership of ASEAN is now regarded as so important for its members that bilateral disputes between them (eg the claim of the Philippines to Sabah) have been allowed to lapse, or are not pursued to the point of risking breaches in ASEAN solidarity.

2. Heads of Government-level meetings of ASEAN were held in February 1976 and August 1977. At the first a Declaration of ASEAN Concord was issued, which provided for the peaceful settlement of intra-regional differences; it also formally committed the members to the establishment of a Zone of Peace, Freedom and Neutrality (ZOPFAN). This concept was first enunciated by the Malaysians. The Communist powers have been prepared to probe its significance for them; the Russians (and Vietnamese) evidently saw possibilities in assimilating it into Soviet proposals for Asian security - but they have been disappointed.

3. There is an ASEAN Secretariat-General in Jakarta, headed by a Malaysian; it could come to emulate the EEC Commission, but it

**CONFIDENTIAL**

/presently

presently has little influence. Political direction is derived from a Standing Committee, whose venue rotates, and which is now chaired by the Malaysian Foreign Minister. Meetings of Economics Ministers concert policy towards the outside world; liaison with the EEC is conducted through a Special Group in Brussels. But the search is on for closer links with several other economic groupings also, in the endeavour to counteract the present extent of member countries' economic dependence on Japan and the United States.

4. Co-ordination of the economies of members has proved difficult, as the economies, except for Singapore's are competitive; but there have been some cuts in intra-ASEAN tariffs, and rationalisation of Commercial practices.

5. ASEAN's significance has come to be political: "ASEAN mindedness" is a fact, and the Heads of Government of member states have come to act with increasing self-confidence on the international stage. They have correctly assessed that active diplomacy can to an extent, make up for military weakness; ASEAN's statutes make no provision for any defence functions (but bilateral contacts exist).

Realistically, other ASEAN states could do little to assist militarily one of them which got into trouble (viz Thailand).

6. Following the Vietnamese invasion of Cambodia in December 1978 (a case of aggression in their region, causing them much concern) ASEAN states have come to depart from their previously 'middle way', and to be increasingly critical of the Vietnamese. They have also tended to incline to a pro-Chinese stance, although they criticised the Chinese military punishment of Vietnam. The Chinese favour ASEAN as an obstacle to Soviet encroachment in South-East Asia.

/The

CONFIDENTIAL

The Russians following the Vietnamese, have hinted that ASEAN is a stalking horse for the Americans; but, most recently, Soviet criticism has been toned down.

7. ASEAN states received many thousands of "boat people" refugees; the refugees were mostly ethnic-Chinese; the presence of such people in countries whose overseas-Chinese minorities have always been regarded with suspicion, was a serious threat to social cohesion. ASEAN states were therefore to the fore in demanding an international solution to the Indo-China refugee problem. They were also prime movers behind the recent General Assembly decision in favour of allowing the Pol Pot Government to retain Cambodia's seat. ASEAN holds no brief for Pol Pot, but is insistent on the need not to reward the Vietnamese by appearing to legitimize the Heng Samrin puppet regime.

SOUTH-EAST ASIAN DEPARTMENT

7 November 1979

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA:

13-16 NOVEMBER 1979

BRIEF NO 7

EEC/ASEAN RELATIONS

INTRODUCTION

1. At its 29/30 October meeting the EEC Council of Ministers authorised the Commission to open negotiations with ASEAN on a cooperation agreement.

POINTS TO MAKE

Cooperation Agreement

2. Pleased with way relations between EEC and ASEAN countries have developed in past few years. Regard these as complementary to Anglo-Indonesian relations, and have promoted ASEAN case actively in EEC.

3. Extent of European commercial interest in ASEAN countries demonstrated by successful Conference on Industrial Cooperation which Indonesia hosted at Jakarta in February. Hope Indonesia will create local conditions which will encourage European investment.

Aid

4. United Kingdom will support ASEAN's case for appropriate share of EEC's programme of aid to non-associated countries. Indonesia deserves special consideration.

Next EEC/ASEAN Ministerial meeting (Defensive)

5. Hope cooperation agreement can be signed in 1980, possibly in an ASEAN capital. Signature could be combined with further EEC/ASEAN Ministerial meeting. Unlikely that EEC Ministers would be able to manage second visit to ASEAN countries in same year.

CONFIDENTIAL

## ESSENTIAL FACTS

Cooperation Agreement

1. Since 1975 ASEAN countries have conducted dialogue in Brussels with both Commission and Permanent Representatives of EEC member states. These contacts taken a stage further when Ministers from ASEAN and EEC met in Brussels in November 1978. Meeting issued joint declaration in which European side agreed to examine possibility of negotiating a cooperation agreement with ASEAN.
2. Commission held exploratory talks with ASEAN earlier this year and submitted to Council in July draft directives for negotiation of a cooperation agreement. After delay caused by French reluctance to allow Commission to discuss question of investment promotion and protection with ASEAN, directives were agreed at October Foreign Affairs Council and negotiations may now begin.
3. European companies interested in ASEAN as a source of raw materials, as a trading partner, and as a promising area for investment.

Aid

4. Indonesia can expect to receive continuing modest flow of Community aid under programme of aid to the non-associated (ie non-Lomé, non-Mediterranean) countries, intended mainly for rural development projects. ASEAN as a whole should benefit from funds devoted to regional integration under same programme.

Next EEC/ASEAN Ministerial Meeting

5. After November 1978 meeting in Brussels it was thought appropriate that return match should take place after two years. Signature in an ASEAN capital of new cooperation agreement would offer obvious occasion for Ministerial meeting. Unlikely that EEC Ministers would be prepared to make two journeys to South-East Asia in quick succession, or even to have a Ministerial meeting in Brussels soon after all have been to an ASEAN capital for signature.



**CONFIDENTIAL**

6. If subject comes up, we should scotch idea of two trips and give cautious welcome to combining the signature ceremony with a Ministerial meeting, although it is not clear that there would be any serious EEC/ASEAN business to be done.

European Integration Department (External)

6 November 1979

**CONFIDENTIAL**

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER 1979

BRIEF NO. 8: BRUNEI

POINTS TO MAKE

1. It is important for Brunei to have good relations with its neighbours and to be able to contribute to the stability of the region.
2. I believe that you, like other South East Asian leaders, favour Brunei's eventually joining ASEAN. We would welcome this.
3. Sir Omar's suspicions will not easily be overcome. We are responsible for Brunei's external affairs until 1984, but friendly gestures (like your invitation to the South-East Asian Games) are well timed.
4. Could invitations be extended for Brunei, before 1984, to be an observer at ASEAN meetings? Might Indonesia eventually sponsor her for full membership, if she wished to join?
5. Stability within Brunei would be strengthened, in our view, by Bruneisation of the government and reintroduction of an element of democratic rule. We shall encourage this.

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER  
1979

BRIEF NO 8: BRUNEI

ESSENTIAL FACTS

Background

1. Brunei is an independent and oil-rich Sultanate that has been in treaty relationship with the United Kingdom since 1847. The Sultan and his formidable father, Sir Omar, are good friends of Britain and would like to remain in a tributary relationship. But after the previous British Government's decision in 1974 to withdraw from obligations East of Suez, a change was unavoidable.

Treaty Relationship

2. Following a protracted negotiation, an Anglo-Brunei Treaty of Friendship and Co-operation was signed on 7 January 1979, to come into effect on 31 December 1983. This provides for the UK then to give up her responsibility for conducting Brunei's foreign affairs and her consultative commitment for Brunei's defence. During the period before 1984, we shall help the Bruneis prepare for full independence.

3. A British Gurkha Battalion (from the Hong Kong Garrison) will continue to be stationed in Brunei until the end of September 1983; two companies of the battalion were detached to Hong Kong for temporary duty to help contain the influx of illegal immigrants from China, but are now back in Brunei. The full costs of the battalion in Brunei are borne by the Sultan, who would like to retain it after 1984 - or to form his own unit of Gurkhas.

British Assistance for Brunei

4. Under exchanges of notes appended to the Treaty, we have undertaken to help the Bruneis establish their diplomatic service

CONFIDENTIAL

/(an

**CONFIDENTIAL**

(an FCO officer is being seconded for this purpose), and to maintain the link between the Brunei and Hong Kong judiciaries. We have also promised to continue our help for the Brunei armed forces by providing Loan Service Personnel (over 100 of whom are currently in Brunei) and training and assisting with the supply of equipment. The Indonesian Government welcomed the signature of the Anglo-Brunei Treaty and like other ASEAN members wishes for more contact with Brunei; but the Indonesians have never taken the lead, preferring to follow in the wake of the Malaysians whose interest in Brunei affairs has always been close.

5. An Indonesian invitation for the Bruneis to participate in South-East Asian Games in Jakarta in September was accepted only tardily. The Bruneis will have taken into account when making up their minds that Azahari, the leader of the proscribed Brunei People's Party (whose insurrection was put down by British Gurkhas in 1962), has for long been resident in Indonesia.

Brunei's Future

6. The Indonesians are concerned in case British withdrawal in 1984 from our present responsibilities is followed by a period of instability. We, like the Indonesians, consider that this will be less likely if Brunei is integrated into ASEAN (President Soeharto told Mr Blaker in September, that Brunei would be more than welcome).

7. Mr Blaker is likely to put this consideration to the Bruneis when he visits them in January, 1980. We shall also encourage the Sultan to reintroduce an element of representative government, suppressed since 1962, in an effort to garner support for the Sultan and his House; he appears already to be increasing the

/Bruneisation

**CONFIDENTIAL**

**CONFIDENTIAL**

Bruneisation of his administration. Membership of the Commonwealth and the United Nations would offer further assurance of Brunei's peaceful integration into the international community. But much will depend on the Sultan's own behaviour; Sir Omar's powers appear to be on the wane and his influence diminishing.

South East Asian Department  
Foreign and Commonwealth Office  
6 November 1979

**CONFIDENTIAL**

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER 1979

BRIEF NO 9 : UK AID POLICY WITH SPECIAL REFERENCE TO INDONESIA

POINTS TO MAKE

Future of Aid Programme

1. Overseas aid has had to bear its share of public expenditure reductions but we expect to continue a programme of substantial technical co-operation and capital aid, of the kind that we know the Indonesians regard highly.

Retrospective Terms Adjustment

2. The waiving of repayment of past aid loans which was announced in July will benefit Indonesia by as much as £40 million by 1998/99.

1980 Aid Pledge (defensive)

3. We are not able to say what pledge we shall make at next year's meeting of the Inter-Governmental Group of Indonesia (1991).

CONFIDENTIAL

**CONFIDENTIAL**

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA, 13-16 NOVEMBER 1979  
BRIEF NO 9: UK AID POLICY WITH SPECIAL REFERENCE TO INDONESIA  
ESSENTIAL FACTS

Future of Aid Programme

1. As part of the Government's overall measures to reduce the level of public expenditure, overseas aid is being reduced by £50m in 1979-80 to £790m. The 1980-81 programme will be about the same level.

Needs of Indonesia

2. Indonesia is still a relatively poor developing country since despite having oil and other natural resources it has to support a population of about 130 million. It has just embarked on its Third Five Year Development Plan 1979-84 with the three objectives of equity, growth and stability. The aim is to achieve an annual growth rate of 6.5% per annum similar to that recorded over the last decade. It is seeking substantial external concessional funds of at least US\$2.3 billion per annum.

British Aid

3. Thus although our aid programme is one of the largest outside the Commonwealth, we give only a little bilateral aid to Indonesia compared to many donors including other EEC countries. But, as the Indonesian Foreign Minister (Professor Mochtar) acknowledged last year, although our programme is small in financial terms, it is important because of its transfer of skills and training (technical co-operation). The programme comprises mainly technical co-operation and a number of capital aid projects. Our interests are best served and our influence best made felt through such measures to transfer skills and training, rather than through financial aid where we cannot now hope to compete with most other donor countries.

4. We expect expenditure in UK financial year 1979-80 to be £9.2m (technical co-operation £4.4m and capital aid £4.8m). The new disbursement limitations have made it necessary to defer until 1980-81 and subsequent years some projects which we had intended to begin in 1979-80 and perhaps drop some of them from our future

/programme.

**CONFIDENTIAL**

programme. There will not be much money available over the next year or so for new activities not already approved. After 1982 there may be rather more funds available for new projects. Overall, however, the technical co-operation and related capital aid programme should remain significant, although as yet we are unable to indicate what the overall disbursement levels and their breakdown are likely to be.

#### Priority Areas

5. Priority areas for our aid have been surface and ground water irrigation to assist agricultural production, the development of the power sector, and training (both in Indonesia and in UK). One of the principal objectives has been to assist in increasing the capacity of Indonesian institutions. We aim to get more of our limited aid programme devoted to the development of natural resources and to continue to give some technical support to the transmigration programme, which entails the resettlement of people from the inner islands in the less densely populated outer islands. More support may be given in future to outer island development, particularly related to agriculture.

#### Retrospective Terms Adjustment

6. Under the Retrospective Terms Adjustment measure of July 1979, repayment of past aid loans has been waived. The total benefit to Indonesia will be about £40m by 1998-9.

#### Aid Pledges

7. The Inter-Governmental Group on Indonesia usually meets annually in Amsterdam in May. At this meeting donors make their yearly pledges of new aid to Indonesia. In May 1979 the UK pledged £6m of new capital aid - for disbursement in subsequent years, bearing in mind that up to two years can elapse before spending is incurred against any pledge - and said that we expected to spend about £4m on technical co-operation in the current year. We do not yet know whether financial constraints will leave us free to make a new aid pledge in 1980 and, if so, of what size. It is relevant that £4.6m of previous capital aid pledges has still to be allocated to projects still being discussed with the Indonesians.



Commonwealth Development Corporation

8. Also under the aid programme the Commonwealth Development Corporation (which operates in some foreign countries) has existing investments totalling £6.3m and undisbursed commitments to new projects totalling £5.3m, chiefly in the light industrial and agricultural sectors.

Far East Department  
Overseas Development Administration  
November 1979

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA, 13-16 NOVEMBER  
1979

BRIEF NO 10: AIR SERVICES (UK/INDONESIA AND ICAP)

POINTS TO MAKE

UK/INDONESIA AIR SERVICES

1. Delighted that arrangements have recently been concluded to enable direct air services between our two capitals to be resumed after 16 years. British Airways intend to begin flying in November 1980.

AUSTRALIA'S INTERNATIONAL CIVIL AVIATION POLICY (ICAP)

2. (Defensive - to be used only if raised by other side). Glad that ASEAN and Australia have now settled their differences.

MARITIME, AVIATION AND ENVIRONMENT DEPARTMENT

6 NOVEMBER 1979

CONFIDENTIAL

**CONFIDENTIAL**

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA,  
13 - 16 NOVEMBER 1979

BRIEF No. 10: AIR SERVICES (UK/INDONESIA AND ICAP)

ESSENTIAL FACTS

UK/INDONESIA AIR SERVICES

1. At talks held in Jakarta at the end of October, arrangements were concluded for scheduled air services between Indonesia and the UK to resume in November 1980 after a lapse of some 16 years. BA intend to start services in November 1980. The plans of Garuda, the Indonesian airline, are not yet firm. It was made clear to the Indonesian negotiators that Garuda would, in accordance with Government policy, be required to use Gatwick.  
ICAP
2. In accordance with Australia's International Civil Aviation Policy (ICAP), cheap advance purchase fares, exclusive to BA and Qantas, were introduced on the UK/Australian trunk route in February this year. The Australians would like similar reductions over the whole fare range. A package of lower fares between Hong Kong and Australia (exclusive to Cathay Pacific Airways and Qantas) came into effect on 27 August.
3. The ICAP cheap fare system is only viable if aircraft fly with very high load factors; to safeguard this position, third country airlines were not to be allowed to offer the same fares. ICAP was therefore opposed by ASEAN countries (led by Singapore) as it threatened to stop their carriers from raiding the UK/Australian trunk route.
4. After a series of meetings between ASEAN and Australia, an acceptable compromise (due to run for a trial period of one year) was reached at a meeting in Canberra at the end of last month

/and

**CONFIDENTIAL**

**CONFIDENTIAL**

and the way now seems clear for a modest but acceptable ASEAN carrier participation in the low fare trunk route traffic.

5. Although the Indonesians have supported a common ASEAN position on this issue, their aviation and tourism interests are hardly affected.

MARITIME, AVIATION AND ENVIRONMENT DEPARTMENT

6 NOVEMBER 1979

**CONFIDENTIAL**

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER 1979  
BRIEF NO 11 (REVISED): EAST TIMOR

POINTS TO MAKE

Conditions in the Territory

1. Great concern at reports that thousands are dying of starvation. Are you making major effort to remedy matters? How are your relations with international relief agencies? Are the Agencies confident that many people can be saved?
2. Opposition on the ground to Indonesian control appears sporadic and diminishing. Have you been able to withdraw troops?

United Nations

3. Like others of the Nine, we are likely to continue to abstain on resolutions in the General Assembly (we recently did so in the Fourth Committee). Your Government has twice expressed understanding of our position.

General

4. Have there been contacts with the Portuguese?

CONFIDENTIAL

**CONFIDENTIAL**

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER 1979  
BRIEF NO 11  
EAST TIMOR: ESSENTIAL FACTS

Background

1. The Indonesians invaded (Portuguese) East Timor in December 1975 after the Portuguese Government's initial moves towards de-colonization had led to a civil war in which a left-wing faction, FRETILIN, seemed likely to be successful.
2. Fighting soon died down, and in July 1976 the territory was annexed to Indonesia after an "act of self-determination" conducted by the (Indonesian-sponsored) "Provisional Government of East Timor". Opposition on the ground to Indonesian control is sporadic and on a diminishing scale.

Conditions in the Territory

3. East Timor was always a backwater and living standards are low. The Indonesians have - belatedly - begun to try and improve matters and have agreed that International Relief Agencies can play a role. The International Red Cross (in concert with the Indonesian Red Cross) have embarked on a relief programme costing about £150,000, to which the British Red Cross have contributed £5,000; Catholic Relief Services are also doing valuable work. Newspaper reports have recently drawn attention to primitive conditions in East Timor, but accounts they have given of starvation conditions and deaths are likely to be overdrawn. Matters may have improved recently; the timing of the current press campaign shortly before President Soeharto's State Visit might not be coincidental.

Legal Status

4. We have not accorded even de facto recognition to the annexation of East Timor because we are not prepared to condone the acquisition of territory by force; to do so would have wider implications, in

/view

**CONFIDENTIAL**

view of our responsibilities towards Belize, the Falklands and Gibraltar. But 35 other countries have recognised the annexation, including the United States, Canada, Australia and New Zealand.

United Nations

5. The previous British Government supported two Security Council resolutions calling for self-determination for the people of East Timor; but it abstained on later resolutions in the General Assembly which were tendentiously anti-Indonesian. The Indonesians have twice thanked us for our "understanding attitude", and understand why we cannot vote on their side. The Nine (who have normally voted together on the issue) agreed in September to continue to abstain on any anti-Indonesian resolution introduced in the General Assembly, and did so in the Fourth Committee on 3 November; the sponsors again failed to win the votes of half the membership.

6. The communiqué of the Non-Aligned Summit in Havana contained a reference to the right of the people of East Timor to self-determination. In an effort to draw off the enhanced support that they anticipate for this year's Assembly item on East Timor, the Indonesians have been soft-peddalling their support for the ASEAN item on Cambodia; we believe that in return for Indonesia's doing so, the Russians have given them unspecific assurances about the behaviour of Soviet client states.

South East Asian Department  
Foreign and Commonwealth Office

6 November, 1979.

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA, 13-16 NOVEMBER  
1979

BRIEF NO 12

OUTLINE PROGRAMME

Tuesday	1125	Arrival, Gatwick Airport
13 November	1330	Luncheon at Buckingham Palace
	1625	Visit to Westminster Abbey
	1655	Presentation at St James's Palace of addresses of welcome by the GLC and City of Westminster
	1745	<u>Call by Lord Carrington</u>
	2030	State Banquet at Buckingham Palace
Wednesday	0900	Call by Baroness Vickers
14 November	1010	Reception of the Diplomatic Corps at St James's Palace
	1115	<u>Talks with the Prime Minister at 10 Downing Street</u>
	1200	<u>Talks with Government Ministers at 10 Downing Street</u>
	1315	Luncheon at 10 Downing Street
	1500	<u>Call by the Secretary of State for Trade</u>
	1600	<u>Call by the Secretary of State for Energy</u>
	1925	Banquet at Guildhall
Thursday	1030	Visit to the Grassland Research Institute, to Hurley, Nr Maidenhead, and to the Cattle 1345 Breeding Centre, Shinfield, Nr Reading
15 November		Private lunch at Buckingham Palace
	1500	Meet the Indonesian Community at the Indonesian Embassy, Grosvenor Square
	2030	Banquet given by President Soeharto and Madame Tien Soeharto at Claridge's
Friday	1000	Departure from Buckingham Palace
16 November		



CONFIDENTIAL

VISIT OF PRESIDENT SOEHARTO OF INDONESIA, 13-16 NOVEMBER 1979

BRIEF NO 13: BIOGRAPHICAL NOTES

In the following notes, underlined names  
and titles indicate abbreviated forms for  
use in conversation.

CONFIDENTIAL

CONFIDENTIAL

HIS EXCELLENCY PRESIDENT SOEHARTO (pronounced SOO-HAR-TOH)

President of the Republic of Indonesia.

Born 1921.

Married (1947): 6 children (2 married).

Born of a peasant family in Jogjakarta, he had only secondary education before entering the Dutch colonial army just before the war with Japan. He rose through the ranks of the Indonesian militia recruited by the Japanese from 1942 to 1945, and then became a noted commander in the independence war against the Dutch in 1945 to 1949. He was General in command of the strategic reserve in Jakarta when the 1965 attempted coup occurred and he took charge. He was appointed President in 1968 after 18 months of political manoeuvring during which he managed to oust President Sukarno from office. Re-elected in 1973 and 1978, his present term expires in 1983. He is then likely to be elected again if he stands.

He takes all major and many minor political decisions himself. He is a poor public speaker. He is fluent in Dutch, and has fair English (but prefers to use an interpreter).

A Moslem, but a firm believer in Javanese mysticism. He invariably appears quiet and composed, but is a tough and impressive leader. Politically, he is preoccupied with maintaining stability in Indonesia and with economic development.

Very much a family man, he shuns personal publicity. He works hard but plays golf three times a week and enjoys fishing. He is interested in cattle-breeding.

CONFIDENTIAL

CONFIDENTIAL

MADAME TIEN SOEHARTO (pronounced SOO-HÁR-TOH)

Wife of the President of the Republic of Indonesia.

Born 1924

Married (1947): 6 children (2 married).

From a minor branch of a Central Javanese royal family. Head of various charities and of the Indonesian Girl Guide Movement.

Patroness and collector of Javanese folk art.

Recently responsible for building an ostentatious family mausoleum, near Solo, which occasioned much criticism.

Has considerable business flair, and (with her family) has become a symbol of greed and corruption in high places.

A power behind the throne, she is believed to have been responsible for stiffening Soeharto's resolve at crucial moments during the political crisis at the conclusion of which he was appointed President, in 1968.

Passable English.

CONFIDENTIAL

CONFIDENTIAL

PROFESSOR DR WIDJOJO NITISASTRO (pronounced WIJ-OH-YOH)

Co-ordinating Minister for Economic, Financial and Industrial Affairs. Head of the National Planning Board. Head of Indonesia's delegation at the Meetings of the International Governmental Group for Indonesia (IGGI) - the aid-donors' club.

Born 1927, East Java.

Married: 3 children: a daughter aged 18, a son aged 9, and an adopted son. One of Indonesia's leading academic economists; in charge of economic development since 1967. He shares the same educational background (University of California, Berkeley) as several other Ministers in economics' departments. Although a strong supporter of the developing countries' demands for a "New International Economic Order", he is nevertheless identified with the economic policy of Soeharto's government which welcomes Western aid and investment. He is personally very close to the President.

Honest, and works very hard (perhaps too hard). Has no time for intrigue. Very affable, and civilised. He says he has no time for hobbies. (His wife is a former schoolteacher with a great enthusiasm for painting).

Good English.

CONFIDENTIAL

CONFIDENTIAL

MRS WIDJOJO NITISASTRO (pronounced WIJ-ÓH-YOH)

Wife of the Minister Co-ordinator for Economy, Finance and Industry.

Born about 1929.

Married: with a daughter aged 18, a son aged 9, and an adopted son.

From West Java. A friendly, active and independent-minded lady, trained formerly as a schoolteacher. An amateur painter with a wide range of cultural interests which she pursues energetically. She has visited the UK and Western Europe privately.

Quite good English.

CONFIDENTIAL

CONFIDENTIAL

PROFESSOR DR MOCHTAR KUSUMAATMADJA (pronounced MÓCH-TAR, ch as in loch)

Minister of Foreign Affairs.

Born 1929, Jakarta.

Married: 3 children; 2 sons, 1 daughter.

A lawyer trained at Harvard and Yale; was Professor of Law in Indonesia before becoming Minister of Justice. Became Minister of Foreign Affairs in 1978.

Very intelligent, he owes his position to Soeharto's wish to have a presentable civilian as Foreign Minister. His freedom of action is sometimes greatly limited by the Generals. Was an official guest in the United Kingdom in 1978.

He is still Head of one of Jakarta's leading law firms. An internationally respected expert on Law of the Sea and also interested in disarmament. He travels extensively, and is friendly and approachable, although a stickler for protocol.

Excellent English.

CONFIDENTIAL

CONFIDENTIAL

MRS MOCHTAR KUSUMAATMADJA (pronounced MOCH-TAR )

Wife of the Minister of Foreign Affairs.

Born 28 November 1928

Married: with 2 sons and 1 daughter.

Mrs Mochtar is from the matrilineal society of West Sumatra, Minangkabau. She appears to hanker after academic life in Bandung. She enjoys her family and tends to excuse herself from official functions. She is interested in arts and crafts and in animals, and has a collection of birds.

Good English.

CONFIDENTIAL

CONFIDENTIAL

LIEUTENANT-GENERAL SOEDHARMONO (pronounced SOO-DAR-MOH-NOH)

State Secretary (with Cabinet rank).

Born 1927, East Java.

Married: 3 children and 2 adopted.

A close associate of the President's from the time when Soeharto came to power; trusted as an impartial adviser and efficient organiser of the State Secretariat. Not thought to harbour ambition for higher office. His background is as an army lawyer, although he was in a combat unit fighting against the allied forces during the independence war in 1945, and has been a regional military commander.

He is the man who sees most of the President and can control access to him, except for other members of the President's small "inner circle", which includes Professor Widjojo. His work is his hobby, but he plays golf with the President.

Good English.

CONFIDENTIAL



CONFIDENTIAL

MRS SOEDHARMONO (pronounced SOO-DAR-MOH-NOH)

General Chairman of Dharma Wanita, an influential organisation for the wives of State Officials for whom membership is compulsory, A member of the People's Congress (MPR). Wife of Minister/State Secretary.

Born 3 March 1927.

Married: with 3 children and 2 adopted children.

Mrs Soedharmono is from West Java (Sunda). She has a good knowledge of Dutch and is currently learning French, German and Arabic. She has recently taken up golf but her interests include music and collecting orchids. Like her husband she is not much in the public eye.

Good English.

CONFIDENTIAL

CONFIDENTIAL

HIS EXCELLENCY MR SALEH BASARAH (pronounced SALAY BA-SAH-RAH)

Indonesian Ambassador to London.

Born 28 August 1928, West Java.

Married: 3 daughters, born 1957 (married with a baby daughter), 1960 and 1962; 2 sons, born 1958 and 1968.

He trained as a pilot in California in 1950-51. After holding various operational commands he became Chief of Staff for Departmental Affairs of the Indonesian Ministry of Defence and Security in December 1969. In April 1973 he became Chief of Staff of the Air Force, and visited the Farnborough Air Show in November 1976. After finishing his tour of duty in June 1977, he became Chairman of Indonesia's only aircraft assembly company. Although an Air Chief Marshal, Mr Saleh Basarah does not use his Air Force rank.

He is intelligent and able, with a reputation for integrity. He is favourably disposed towards the West and is believed to have the ear of the President of Indonesia. Sociable and outgoing, his interests include boxing and education. A Moslem.

Quite good English.

CONFIDENTIAL

CONFIDENTIAL

MRS SALEH BASARAH (Pronounced SALAY BA-SAH-RAH)

Wife of the Indonesian Ambassador in London.

Born 27 December 1933.

Married: 3 daughters, born 1957 (married with a baby daughter), 1960 and 1962; 2 sons, born 1958 and 1968.

She enjoys being in London but is conscious of lacking the flair of the wife of the previous Ambassador, who was an outstanding personality and spoke excellent English.

Fair English.

CONFIDENTIAL

CONFIDENTIAL

MR GUSTI RUSLI NOOR (pronounced ROOSLI)

Director-General of Foreign Economic, Social and Cultural Relations at the Department of Foreign Affairs (DFA) since 1977.

Born 1927 in Bandung.

Married: with 7 children.

Attended Colombia University's Russian Institute (1956). Served as an economic and commercial attaché in London (1951-54) and Moscow (1954-56) before joining the DFA. Served in The Hague, 1964-69. Director for Economic Development, 1972-74. Ambassador to Denmark, 1974-77.

A friend and associate of Professor Widjojo. A Moslem. He goes out of his way to maintain contact with his British friends.

Good English.

CONFIDENTIAL

CONFIDENTIAL

AIR VICE-MARSHAL KARDONO

Military Secretary to the President.

Born: 1929.

Married: 7 daughters.

His job is mainly to supervise Presidential visits; he also advises on decorations and processes recommendations for the promotion of senior officers. Was previously Director-General of Air Communications, a position in which he had frequent contact with HM Embassy. Well-disposed.

Fair English.

CONFIDENTIAL

CONFIDENTIAL

MR JOOP AVE (pronounced YOOP AH-VAY)

Chief of State Protocol.

Born about 1931.

Unmarried.

Chief of Protocol to both Presidents Sukarno and Soeharto. His only posting as a member of the Foreign Service was in the Consulate-General in New York in the early 1960s. Sometimes acts as interpreter to the President or Mrs Soeharto.

By Indonesian standards he is a tall man, of striking Eurasian appearance (his father was Dutch). Greatly enjoys his work.

Very artistic, and interested in horses.

Excellent English.

CONFIDENTIAL

CONFIDENTIAL

MR SAMFOERNO (pronounced SAM-PER-NOH)

Chief of the Presidential household.

Born about 1938.

A member of the Palace staff for many years before taking his present position in 1978. Student of Indonesian culture; his wife is a noted Javanese dancer.

He is quiet and meticulous.

Good English.

CONFIDENTIAL

CONFIDENTIAL

MR NANA SUTRESNA

Head of the Directorate of European Affairs, Department of Foreign Affairs.

Born 21 October 1933.

Married: with 2 children.

He joined the Department of Foreign Affairs in 1957, having worked for two years with Antara, the National News Agency, and assumed his present position in July 1979. Mr Sutresna graduated with an MA in International Politics from the University of Wales in 1964. He is a British Council Scholar. He has served in Washington (1967-70), Mexico City (1970-72), in Jakarta as Official DFA Spokesman (1972-76) and at Vienna (1976-79). He has attended high level ASEAN and Islamic Conference Meetings and the 1973 Non-Aligned Summit. He took part in the establishment of the United Nations Industrial Development Organisation early this year. Mr Sutresna is a friendly man who is helpful to HM Embassy.

Good English.

CONFIDENTIAL



CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA:  
13-16 NOVEMBER 1979

BRIEF NO14

INDONESIAN HISTORY TO PRESIDENT SOEHARTO'S ACQUISITION OF POWER  
[Note prepared at the request of Buckingham Palace for briefing  
HM The Queen]

Origins

In prehistoric times, the Archipelago was settled by Malays from Mainland Asia. In the third and fourth centuries AD (after the arrival of Indian traders) Indian influence, Hinduism and Buddhism took root. By the 7th Century, Indianised kingdoms had emerged in South Sumatra and Java. The kingdom of Sriwijaya, which dominated the Malacca and Sunda Straits, was a sea power until the 13th Century, and was a centre of Buddhist learning. One of the best known Javanese kingdoms, Mataram, survived until the Dutch, in the 18th Century, divided it into the Sultanates of Surakarta and Jogjakarta. The Queen was in Jogjakarta in 1974 and met the Sultan, who was until 1978 Indonesia's Vice-President. The Javanese kingdoms produced a flowering of culture and temple architecture, notably at Borobudur, which The Queen also visited. Arab traders introduced Islam in the 14th Century.

European Impact

European explorers in the late 15th Century were mainly interested in acquiring the spices (cloves, nutmeg and pepper) which had previously come from Indonesia by slow and unreliable land routes across Asia. (A secondary purpose was to enlist against the Turks the help of the fabled Christian kingdom of Prester John.)

/The

CONFIDENTIAL

The Portuguese were the first Europeans ashore, following in the wake of Vasco da Gama via the Cape and India. They seized Malacca in 1511 and reached Ambon in the Moluccas in the same year. The Spaniards, crossing the Pacific under Magellen, loaded their first cargo of cloves at Ternate in the North Moluccas in 1521 but the Portuguese soon chased them out. Sir Francis Drake arrived in the North Moluccas by the Spanish route in November 1579; Sultan Baab of Ternate, who had expelled the Portuguese, was happy to welcome Drake as an ally and protector against Portugal. Drake landed at Ternate on 4 November 1579 (14 November according to the revised calendar) - almost exactly four hundred years ago. He and Baab exchanged presents and visits. Their cordial relationship was sealed by Drake's agreement to send another English expedition within 2 years. After 5 days Drake loaded a cargo of cloves and departed westwards.

This promising beginning for Anglo-Indonesian relations was not followed up. By the time the East India Company was established in 1602, the Dutch had begun their ultimately successful acquisition of the East Indies' spice trade, and English efforts had to be directed against Dutch monopoly-buying in the Spice Islands. In 1623 the Dutch murdered a band of English merchants trying to breach the Dutch monopoly. Thereafter the East India Company concentrated on the Indian subcontinent, which had until then interested them only as a staging post to the East Indies.

Netherlands Rule: 1641-1942

The primacy of the Netherlands was finally established by the conquest of Malacca in 1641, although the East India Company retained a few trading posts, and the Portuguese held part of the

/island

CONFIDENTIAL

island of Timor. Dutch control was exercised only for safeguarding the supply of commodities to their fortified trading posts.

A British Interlude: Raffles

By the beginning of the 19th Century, Dutch territory extended over all Java and the Moluccas, and trading posts were to be found scattered over the rest of Indonesia. In 1811, when the Netherlands were defeated by Napoleon, Britain took over Dutch possessions in South East Asia. Raffles, aged 30, a representative of the East India Company in Penang, was appointed Lieutenant Governor of the Dutch East Indies.

Raffles' influence on Indonesia's history is out of all proportion to the 5 years he spent in Java, and is still highly regarded by Indonesians. He introduced systematic Colonial administration based on the concept that the Colonial power had a responsibility for the welfare of the people it administered; he established a judicial system, including trial by jury; and he replaced forced labour and the payment of agricultural tribute by a regular system of taxation. He immersed himself in the history and culture of the region, writing on his return to England in 1816 a monumental 'History of Java'. He also encouraged Dutch scientists to found the Botanical Garden at Bogor, which is one of the world's outstanding scientific institutions. Raffles' administration is generally held to be responsible for Indonesian traffic driving on the left.

/In

CONFIDENTIAL

In 1816 Java and its Dependencies, including Malacca, were returned to the Dutch and Raffles was recalled to England. In 1818 he was appointed Governor of Bengkulu (known in English as Bencoolen) in Sumatra, the last remaining British trading post in Indonesia; it was from there that in 1819 he founded Singapore, as a counter to newly resurgent Dutch trading power. In 1824 an Anglo-Dutch Treaty regularised the position of Singapore, and Bengkulu was exchanged for Malacca. Thus was established the pattern of European Colonial influence in the area of the Malacca and Sunda Straits for 120 years.

The Japanese Occupation

Japanese Forces occupied the Indonesian Archipelago in 1942. The Japanese initially favoured centralised imperial control, but as Japanese strength faltered they increasingly encouraged the development of autonomous Indonesian authority. Indonesian nationalists, who had chafed under restrictive Dutch administration before the War, were able to prepare to assert their right to Independence afterwards. As a result, Sukarno and Dr Hatta were able to proclaim Indonesia's independence on 17 August 1945, 7 days after the Japanese surrender.

The British Presence: 1945/46

At the Potsdam Conference in 1945, the decision was taken to transfer the theatre of war including Java from American to British responsibility. Admiral Mountbatten, then

/Supreme

CONFIDENTIAL

Supreme Allied Commander, South East Asia, was directed to occupy key areas in Java and Sumatra in order to enforce the surrender of the Japanese and to rescue allied prisoners of war and civilian internees. It was intended that Dutch sovereignty should thereafter be re-established over the Archipelago.

The 23rd Indian Division landed and were able to establish themselves in limited enclaves in Jakarta, West Java, Semarang and Surabaya, as well as in Medan and Palembang in Sumatra. In Surabaya, where nationalist feeling ran high, a serious engagement took place on 10 November between the 49th Indian Infantry Brigade and local Indonesian troops. Tanks and aircraft were used to break Indonesian resistance. There were heavy losses on both sides before British and Indian troops eventually established control. The troops had been dispersed in small groups through Surabaya and were not anticipating trouble when attacks on them were made and many of them were massacred before help could be brought. Brigadier Mallaby, the Commanding Officer, who was attempting to rally his troops, was murdered in his car. 10 November is remembered by Indonesia as 'Heroes Day' in commemoration of the Surabaya incident. President Soeharto is to commemorate the anniversary by unveiling a statue of General Sudirman, the Commander of the Indonesian guerrilla against the Dutch of 1945-9.

/Re-establishment

Re-establishment of Dutch Control

Once the evacuation of allied prisoners and internees was effected, steps were taken to re-establish Netherlands' administration. Dutch forces were sent from Europe to take over key centres from the British and Indian troops. British involvement was strongly criticised by both sides: the Indonesians complained that the British were facilitating the re-imposition of Dutch Colonial rule; the Dutch complained that they were receiving inadequate support for the reassertion of their sovereign rights.

The Indonesians do not now harbour resentment at the British role. The late Lord Mountbatten was very cordially received by the Indonesian President when he accompanied The Queen in 1974. On Lord Mountbatten's death, the Indonesian Ambassador sent a warm message of condolence to the Foreign and Commonwealth Secretary. He also conveyed privately his President's sympathy.

The Fight Against the Dutch

Negotiations with the Dutch for the withdrawal of British troops were prolonged and it was not until November 1946 that the troops finally left. By that time the Dutch were in only partial control. By the Linggadjati Agreement of March 1947, they recognised Republican control of Java, Madura and Sumatra. But in July 1947 the Dutch initiated a 'police action' against Republican territory; in December 1948 they launched a surprise

/attack

CONFIDENTIAL

attack which led to the capture of Jogjakarta which was then the capital of the Republic. Many leaders, including Sukarno and Hatta (respectively first President and Vice-President of the Republic), were imprisoned. There followed a period of guerrilla warfare and mounting international pressure on the Dutch until finally, on 27 December 1949, an Agreement was signed for the unconditional transfer of sovereignty from the former Netherlands East Indies to the 'Republic of the United States of Indonesia'.

The Sukarno Period

The period from 1950-1959 was one of short-lived and unstable governments leading to increasing disillusionment with Western-style liberal democracy. Secession movements and insurrections developed in several areas. In 1959 the National Assembly voted for a return to the 1945 constitution. This initiated the period of President Sukarno's 'Guided Democracy'. Growing internal problems led President Sukarno to use external issues as a means of diverting attention from domestic difficulties. Since independence, West Irian (formerly Dutch New Guinea) had been a source of friction with the Dutch who had continued to occupy it. This dispute, plus attacks on the Dutch economic position in Indonesia, led to the breaking of diplomatic relations between the two countries in 1960. Ultimately, following military and international pressure, the area was acquired by Indonesia in 1963. The United Nations General Assembly confirmed Indonesian /sovereignty

CONFIDENTIAL

sovereignty over West Irian after a UN-supervised "Act of Free Choice" there in 1969. Later, on the formation of Malaysia, Indonesia became involved in a 'Confrontation' with Malaysia and Britain. Acts of war against Malaysia were accompanied by increasing pressure on British interests in Indonesia. The British Embassy Chancery was sacked, British Council activity in Indonesia was ended, and British firms were taken over. In 1964, when Malaysia became a member of the UN Security Council, Sukarno announced that Indonesia would leave the United Nations, which she did in January 1965.

The Coup and its Aftermath: Sukarno's Fall

In September 1965, several Indonesian Generals were murdered in an attempted coup d'état in which the Indonesian Communist Party was believed to be implicated (there had been previous attempts by the Party to seize power by force). President Sukarno may have known what was afoot. General Soeharto, who commanded the Army's Strategic Command, rallied troops in Jakarta and restored order. President Sukarno was not immediately removed from office, but his authority was undermined. By March 1967, General Soeharto was named Acting President; Sukarno retained the title of President although he was stripped of power. General Soeharto was formally appointed to the highest office in 1968; Sukarno died in 1970.

South East Asian Department  
Foreign and Commonwealth Office  
6 November 1979



CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER 1979

BRIEF NO 15: SINO-SOVIET RIVALRY IN ASIA

POINTS TO MAKE

1. The rivalry in the region has become increasingly uninhibited. Current Sino-Soviet talks are unlikely to affect this, nor to do more than lead to a limited improvement in state-to-state relations.
2. We understand Indonesia's suspicions about China's long-term ambitions, given their refusal to disavow support for Communist insurgencies. But China's medium-term objectives, ie containment of Vietnam and stability in South-East Asia, accord with our own - and ASEAN's - objectives.
3. For the present, it is Vietnamese ambitions backed by Soviet power which present the greatest threat to stability in South-East Asia. We need to expose the callousness of Vietnamese policy and the cynicism of their Soviet backers whose forward policy is imposing great suffering on the people of the region.
4. The Chinese could, at some stage, seek to "punish" the Vietnamese again, but they will have calculated the scale of their action, in order to avoid risks involved in a wider struggle. Anything else could interfere with their policy of domestic modernisation, for which they need peace and good relations with Western countries.

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA: 13-16 NOVEMBER 1979

BRIEF NO 15 SINO-SOVIET RIVALRY IN ASIA

ESSENTIAL FACTS

1. China and the Soviet Union have long considered themselves Asian powers and both have ambitions to exercise a predominant influence in the region.
2. In the 1950s, the process of decolonisation and the emergence of Asian Communist States seemed to open up opportunities for Soviet influence to expand. But this was to an extent prevented by United States' involvement to "contain" Communist expansion; by the strength of local opposition to Communism; and, in due course, by the development of the Sino-Soviet dispute, which meant that the two largest Communist powers in Asia were competing rather than colluding. In this competition the Soviet Union has derived advantage from its greater material power and wealth, and from the fact that - because it is further from the region - it poses a less obvious threat to the security of Asian countries. But China's close geographical, ethnic, historical and cultural links within Asia have been important factors.

Indonesia

3. During the Vietnam Wars, Sino-Soviet rivalry in Indochina was subordinated to the task of supporting North Vietnam. The Vietnamese avoided, as far as possible, taking sides in the Sino-Soviet dispute, and tended to play down their traditional hostility to the Chinese and opposition to China's involvement and ambitions in South East Asia. These constraints were removed after 1975, since when the Vietnamese have moved steadily closer to the Soviet

/Union. ...

Union. Vietnam's adherence to the Soviet Bloc's Council on Mutual Economic Assistance, and the Soviet-Vietnamese Treaty of Friendship and Co-operation of 3 November 1978 set the seal on this. The Chinese saw the Treaty and the moves by Vietnam (eg in Cambodia) to establish its predominance in the region as a threat to what they regarded as their own natural interests and ambitions, and they have lent their support to any groups ready to oppose the Vietnamese and the Soviet Union. The Chinese invasion of Vietnam resulted in an increase in Vietnam's dependence on the Russians, but the Vietnamese are traditionally independent-minded and will seek as far as possible to pursue their own (rather than Soviet) objectives. Nevertheless, Soviet and Vietnamese strategic objectives in Indochina seem likely to remain compatible.

ASEAN

4. Sino-Soviet rivalry has been demonstrated as clearly, if less dramatically, in attitudes towards ASEAN. The ASEAN States, as a result of their ethnic, geographical and historical differences, hold differing views about the degree of long-term threats posed by the two Communist powers, and the best way to cope with them. Indonesia (like other States with a significant Chinese population) is particularly concerned over China's attitude and by the possibility that China might become an alternative focus of loyalty for Indonesia's Chinese.

5. Indonesia's diplomatic relations with China remain suspended, and relations with the Soviet Union are low-key. Malaysia, to a lesser extent the Philippines, and Singapore (which like Indonesia has no diplomatic relations with Peking) are also concerned at Chinese support for their local Communist insurgencies. In the past the Thais have shared this concern but now both they and the Singaporeans see the Vietnamese as the greater short-term threat.

/6. ...

6. The Chinese recognise ASEAN's importance and have been publicly in favour of the Association since 1975. A visit by Vice-Premier Deng Xiaoping to Thailand, Malaysia and Singapore in November 1978 was designed to emphasise this. The Chinese have commented favourably on ASEAN's concept of a Zone of Peace, Freedom and Neutrality in South East Asia. The ASEAN countries are well aware that China supports ASEAN principally for tactical reasons, as a counterweight to Vietnamese and Soviet influence. Deng Xiaoping's refusal to disavow support for the Communist insurgencies in individual ASEAN countries, while more honest than the Vietnamese attitude, further encouraged Indonesian suspicions of China's long-term ambitions. Nevertheless, they welcome the fact that, thanks to the Sino-Soviet dispute, they now have more time to develop their economies, while the Vietnamese are weakened externally and by losses incurred in the war in Cambodia.

7. In 1978 visits were paid to ASEAN countries by Soviet Deputy Foreign Minister Firyubin and by the Vietnamese Premier, Pham Van Dong. However, these diplomatic efforts suffered a setback as a result of the Soviet-Vietnamese Treaty and the Vietnamese invasion of Cambodia which confirmed ASEAN fears of Vietnamese, and by extension Soviet, ambitions.

8. Since the beginning of 1979, both the Soviet Union and Vietnam have begun a modest approach to re-building their bridges with ASEAN. The Chinese invasion of Vietnam in February has helped them in this - but not as much as they might have hoped. The Vietnamese have reacted with displeasure to ASEAN's resolute linkage of China's invasion of Vietnam with Vietnam's actions in Cambodia. ASEAN countries have all come to be deeply suspicious of both Vietnam and the Soviet Union, and are aware that both countries see ASEAN as an obstacle to the expansion of their own influence in the area and would like to see the Association dissolved or dominated by themselves.

/Indian ...

Indian Sub-continent

9. Elsewhere in South Asia, Communist rivalry has drawn less attention. The Chinese are concerned at the increased Soviet naval presence in the Indian Ocean; at Soviet influence in India; and at the April 1978 coup in Afghanistan as examples of Soviet expansionism. But they have not been able to do much about any of these developments.

10. Under the Janata government, which replaced Mrs Gandhi in 1977, there were modifications in India's foreign policy and even some overtures and a modest rapprochement with China (not helped by the coincidence of China's invasion of Vietnam with Indian Foreign Minister Vajpayee's visit to China, which prompted the latter to cut short his visit). But there has been no basic change in India's attitude towards the major Communist powers and her links with the Soviet Union and suspicions of China's intentions remain strong.

11. Since the Afghan coup, which brought to power a Marxist régime, Pakistan's concern at Soviet influence and potential mischief-making in the sub-continent has increased and she has made overtures towards the Soviet Union (including leaving CENTO), but for as long as the Soviet Union continues to enjoy a close relationship with India, Pakistan is unlikely to end its own close involvement with China which dates from the 1960s. Relations between China and Bangladesh have improved since the overthrow of Sheikh Mujib in 1975, but Bangladesh continues to enjoy good relations with the Soviet Union.

Far Eastern Department  
Foreign and Commonwealth Office  
6 November 1979

CONFIDENTIAL

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA,  
13-16 NOVEMBER 1979

BRIEF NO 16: VISIT OF PREMIER HUA GUOFENG

POINTS TO MAKE

1. The visit had particular significance, as the first to Britain by a Premier of PRC, and Premier Hua's own first to the West. Symbolized growing links between China and Western Europe.
2. Arrangements went well. Chinese pleased with level of reception, and varied nature of programme. Hua relaxed and confident throughout.
3. The visit has helped to improve our understanding with the Chinese Government; and to educate Premier Hua and other members of the delegation in the realities of Western political and social life.

Official talks

4. Premier Hua outlined in predictable terms the Chinese view of Soviet "hegemonistic" expansionism worldwide, with particular emphasis on Indochina. He explained the Chinese attack on Vietnam both as a reaction to border provocations and

/as a

CONFIDENTIAL

CONFIDENTIAL

as a strategic counter to hegemonism. It had deflated Vietnamese ambitions and bolstered the ASEAN countries. He stressed the importance of supporting all forces of resistance to the Vietnamese in Kampuchea, and insisted that complete withdrawal of the Vietnamese forces was necessary for a settlement. We emphasised the depth of concern in Britain about the situation in Kampuchea, and abhorrence of the Pol Pot regime. We would not however recognise Heng Samrin.

5. Bilateral issues also discussed. Reaffirmed UK's keenness to contribute to China's modernisation programme, and readiness to supply certain items of defence equipment, including Harrier. Agreed with Premier Hua that we shared an interest in continuing stability and prosperity of Hong Kong.

CONFIDENTIAL

**CONFIDENTIAL**

BRIEF NO 16: VISIT OF PREMIER HUA GUOFENG

ESSENTIAL FACTS

1. The Prime Minister had two sessions of official talks during Premier Hua's visit from 28 October to 3 November. Lord Carrington had a separate session with Foreign Minister Huang Hua. The Indonesian Embassy here have been given a full briefing on the visit. President Soeharto will be particularly interested in the discussions of Indochina.

**CONFIDENTIAL**



STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA, 13 - 16 NOVEMBER 1979  
BRIEF NO 17  
INTERNATIONAL ECONOMIC PROSPECTS

Points to Make

1. Prospects for growth, inflation and unemployment in the world are sombre. The poorest developing countries will be especially badly hit by higher oil prices.
2. Wide agreement that tackling inflation the priority.
3. Recent oil price movements mean a further deterioration in the outlook. How does OPEC see its contribution to tackling our common problems? Important for OPEC to exercise restraint in Caracas in December.
4. UK has clearly demonstrated it is prepared to make the necessary sacrifices. Our efforts to squeeze inflation out of economy mean that we cannot hope for much growth, if any, next year.
5. This is far from turning our backs on the world's problems. Rejuvenated UK economy will be our best contribution. We support open world trade. We have removed controls on outward investment.
6. The record shows that the UK is constructive in international discussions of problems of concern to developing countries. There has been progress in the Dialogue between 'North' and 'South' despite the world recession. It has come when specific problems have been tackled with realism and common sense.
7. If we are to have 'global negotiations' on energy and North/South issues, they must be thoroughly prepared. Otherwise the Dialogue will become more complicated. Progress, which we all seek, may be more difficult and frustrations increased.

CONFIDENTIAL

BRIEF NO 17

STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA, 13-16 NOVEMBER 1979  
ESSENTIAL FACTS (FOR USE FREELY)

Indonesia

1. As a member of ASEAN Indonesia is one of the moderates in the North/South Dialogue, but as an OPEC member it is associated with the push for a new round of 'global negotiations' to put pressure on the developed countries. Its preoccupations in the Dialogue are protectionism and the discussions on commodities.

World Economic Prospects

2. A brief summary of the latest Treasury WEP forecasts is attached. (Not for use. It was based on an expected 40 per cent rise in oil prices in 1979 and a further 20 per cent in 1980). But there is now renewed uncertainty because of the latest oil market developments, notably the Libyan and Algerian price increases which breach the ceiling set by OPEC in June.

3. GNP growth in the main economies is expected to weaken from 4 per cent in 1978 to 2 and three quarter per cent this year and 1 per cent in 1980. The US is moving into recession. All countries are inhibited by the need to fight inflation.

4. Inflation in the main industrial countries has been accelerating. In 1980 it could average nearly 10 per cent compared with 7 per cent in 1978. In 1974 there were divergent responses to the oil price increase followed by major disparities in inflation and in current balances. This encouraged currency instability. Most governments now are choosing to tighten policy to contain the inflationary impact of the latest oil price increases.

5. The October monetary measures in the US have to some extent dispelled doubts about the firmness of the US Government's policies. Elsewhere, interest rates have been increasing too.

6. The OECD area is expected to have a current account deficit of around \$25 billion in 1979 and 1980. Japan is forecast to have a deficit in 1979 and the US to move into surplus by next year.

The surpluses of Germany, France and Italy are shrinking and may disappear.

7. The OPEC surplus could reach \$50 billion in 1979 but smaller in 1980.

8. The position of the non-oil LDCs will deteriorate sharply with a combined deficit of about \$40 billion next year even if they achieve a drastic cutback in the growth of their imports. The number of countries

/with

CONFIDENTIAL

**CONFIDENTIAL**

with debt service problems will increase. There may have to be some debt rescheduling or other rescue operations. But there is no serious threat to the private banking system, and the international institutions have plenty of funds available if countries can only be persuaded to turn to them early and accept the appropriate conditions. An agreement with the IMF gives private bankers the confidence to lend more.

Progress in the North/South Dialogue

9. Specific measures already agreed which will benefit the developing countries include a large 6th replenishment of the International Development Agency of \$12 - 15 billion, a doubling by \$40 billion of the capital of the World Bank, new issues of SDRs providing LDCs with additional \$1 billion liquidity in each of the next three years, further improvements in IMF facilities, agreement on the fundamental elements of a Common Fund for Commodities in March, on an International Rubber Agreement in October, and the conclusion of the MTNs.

10. Such progress was achieved in the established sectoral negotiations. It demonstrated the adaptability of the present relatively open world market system.

'Global Negotiations'

11. The Group of 77 developing countries are pressing, mainly at Algerian insistence, for a new round of 'global negotiations' on international development issues, extending to raw materials, energy, trade, development, money and finance. The Community has responded constructively but has insisted on certain conditions; no duplication of existing work, full use of existing bodies, and no artificial linkages between negotiations. (Not for use. Linkages involving energy will be most difficult for us. We think OPEC's main motive is to put pressure on the developed countries and to avoid making concessions themselves on questions such as oil price and supply where they are sensitive). The General Assembly is likely to call for the launching of such negotiations at its Special Session in 1980 (which is also to launch a new International Development Strategy as a framework for North/South relations in the 1980s and beyond).

Commodity Questions

12. Indonesia is an important producer of rubber and tin.

13. The International Rubber Agreement, concluded in October and due to enter into force in late 1980, provides for a buffer stock for price stabilisation.

14. Discussions have begun on the renegotiation of the fifth

/International

**CONFIDENTIAL**

**CONFIDENTIAL**

International Tin Agreement; the producers are pressing for a more effective buffer stock mechanism.

15. Negotiations on the establishment of a Common Fund for Commodities are now at an advanced stage.

Protectionism and 'Adjustment'

16. The Government are fully committed to the maintenance of an open world trading system, as confirmed by the declaration of the OECD Ministerial Meeting, the resolution on protectionism adopted at UNCTAD V and the Tokyo Summit in June.

17. The developed countries have, despite continuing recession, resisted protectionist pressures and have not resorted to wide-spread restrictions on trade. Such restrictions have been confined to a few specially sensitive sectors (eg textiles).

18. The world trading system in the 1970s has successfully accommodated rapid industrial growth in the developing countries, which have collectively increased their share of world trade in manufactures. Industrial structures in Western countries are adjusting to meet this new challenge. But 'adjustment' is not a process which Western governments can plan or direct in detail. And the pace of adjustment must be geared to what is socially tolerable: so 'positive' adjustment policies may sometimes have to be complemented by import restraints in sensitive sectors like textiles.

19. All countries - not only developed countries - have responsibilities in resisting protectionist pressures and in encouraging a smooth and balanced adjustment process. We hope, for example, that the most advanced and competitive developing countries will progressively accept the disciplines of the open world trading and payments system, with regard both to their import and export regimes.

20. A major round of Multilateral Trade Negotiations has been successfully concluded. The results - which include average tariff reductions of 25 per cent over 8 years - will benefit all countries including the developing countries. The new GATT codes adopted as part of the MTN settlement represent an important strengthening of the legal framework supporting the open world trading system. We hope that as many developing countries as possible will participate actively in follow-up work on these codes in the GATT.

Financial Relations Department  
Foreign and Commonwealth Office

6 November 1979

**CONFIDENTIAL**

**CONFIDENTIAL**

WORLD ECONOMIC PROSPECTS

TABLE 1

	GNP/GDP Growth	% Change on previous year	
	1978	1979	1980
US	4.4	1.6	-0.1
Japan	5.6	5.7	2.6
Germany	3.4	4.3	2.7
UK	3.0	0.5	-1.0
Major 7 OECD	4.1	2.7	1.1

TABLE 2

	Inflation Rates		
	1978	1979	1980
US	7.7	10.8	9.8
Japan	3.9	4.1	9.3
Germany	2.6	4.6	5.2
UK	8.6	12.5	15.0

TABLE 3

	Current account balances		\$ billion
	1978	1979	1980
US	-13.9	-4.9	1.3
Japan	16.7	-5.0	-1.2
Germany	8.8	-0.4	1.5
UK	0.8	-5.0	n.a.
Major 7 OECD	17.3	-13.2	-4.2
Smaller OECD	-8.7	-12.2	-19.1
Total OECD	8.6	-25.4	23.3
Non-Oil LDCs	-25.4	-34.5	-39.2
OPEC	1.5	50.0	40.0

## STATE VISIT OF PRESIDENT SOEHARTO OF INDONESIA

13-16 NOVEMBER 1979

## BRIEF NO 18: RHODESIA

## POINTS TO MAKE

1. British Government engaged in determined effort to solve Rhodesia problem, bring country to legal independence in genuinely democratic way. Settlement essential to preserve stability in the area, resist spread of Communist influence.
2. Constitutional Conference has reached agreement on the independence constitution, which indisputably provides for genuine majority rule.
3. Difficulty at present over arrangements for putting it into effect. We have set out arrangements for holding free and fair elections, supervised under our authority, with Commonwealth observers, and for a British Governor to administer Rhodesia until the elections are held. Bishop Muzorewa and his delegation have agreed to these arrangements. They have also agreed that Bishop Muzorewa and the members of his administration will refrain from exercising their ministerial functions during the interim period. These are important concessions. Hope Patriotic Front will show similar willingness to compromise. Indications are that Nkomo is more interested in putting his political standing to the test in elections than Mugabe, who has strong Communist leanings. If Patriotic Front do not agree to the interim arrangements, we can not allow them a veto over a settlement: we shall be morally obliged to go ahead with Muzorewa.

Action at the UN

4. We shall certainly face opposition at the UN if we are obliged to proceed without all or part of the Patriotic Front. The Communist countries and some of the Africans will side with Mugabe however unreasonable his stand. We hope Indonesia and other ASEAN countries will support us.

UK Sanctions [if raised]

5. We shall lift sanctions when legality is restored, that is, when the British Governor arrives in Salisbury and his authority is accepted. We do not propose to renew the sanctions orders imposed

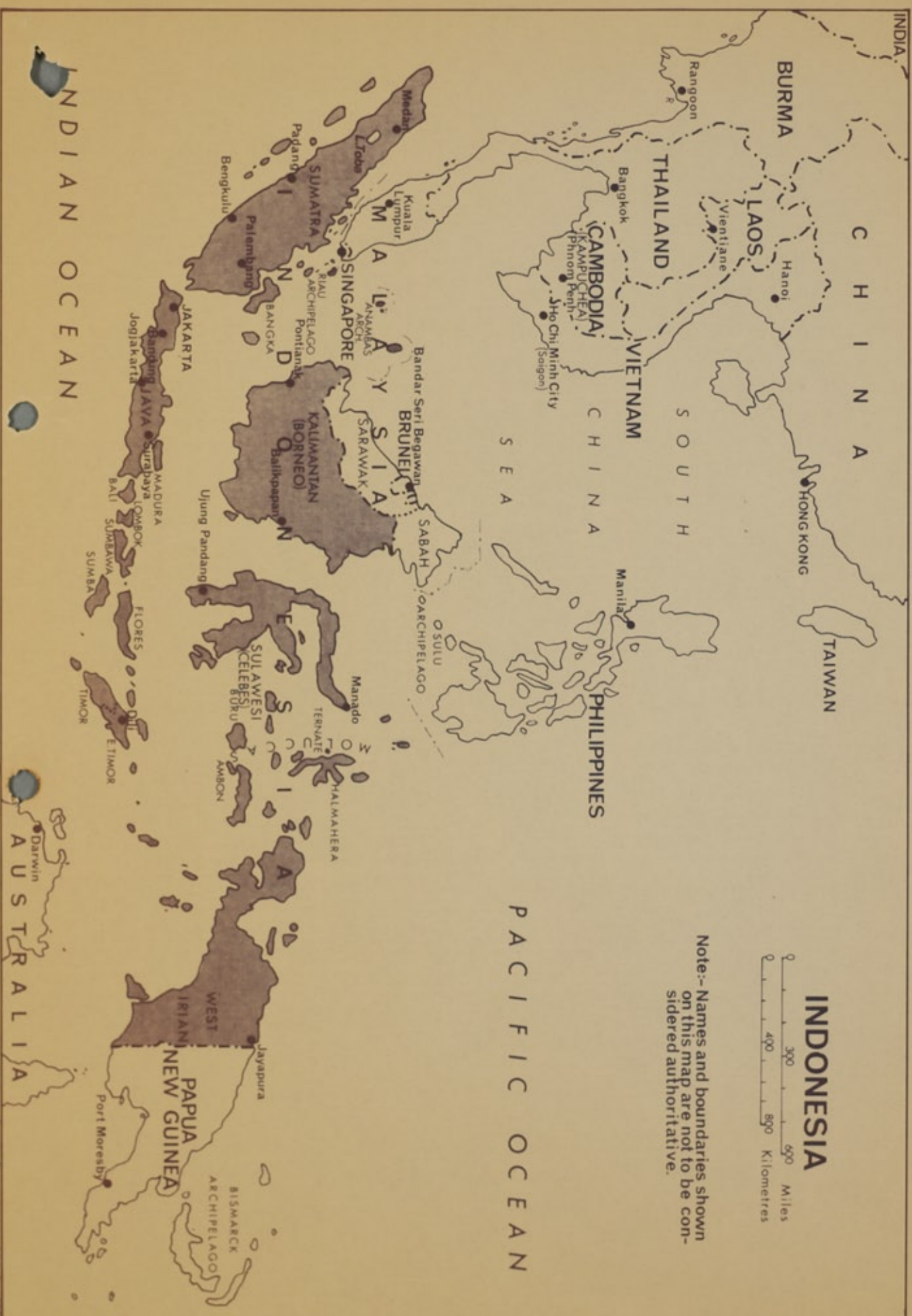
/under

under Section 2 of the Southern Rhodesia Act 1965: these are a very small proportion of sanctions, and the positive act necessary to renew them would be a gratuitous insult to Bishop Muzorewa, who has done everything we have asked of him in the search for a settlement.

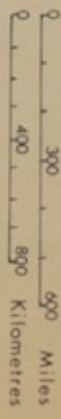
9 November 1979

Rhodesia Department

Foreign and Commonwealth Office



# INDONESIA



Note:- Names and boundaries shown on this map are not to be considered authoritative.



Private Secretary

~~Michaels~~

You may wish to  
glance at this  
in case the subject  
crops up next week.

Para. 4 reflects  
(I trust putting  
appropriate words into  
your mouth) our  
conversation last  
night.

Rodney Lyw.

9/11

L. J. [unclear]  
- 9/11

*Tam Lynne*  
*Di*

Mr Cortazzi

cc PS ✓  
PS/LPS  
PS/Mr Blaker  
SEAD  
News D

## INDONESIAN STATE VISIT: JOINT PRESS STATEMENT

1. There has been a certain amount of difficulty with the Indonesians over their insistence that there should be an agreed joint statement to the press after President Soeharto's single round of official talks with the Prime Minister on 14 November.

2. When the Indonesians first said that it would be normal for them to have a joint statement, we pointed out that it was not normal for us; but as there are precedents for a joint statement after a talk with Mrs Thatcher, we offered the anodyne draft in FCO telegram to Jakarta No 214 (which was cleared with No 10). However, the Indonesians came back at us with a long Soviet-type draft; and HM Ambassador pointed out that Soeharto obviously wants a meaty statement for internal consumption in his own country (Jakarta telegrams Nos 402 and 403). Much of the subject matter in the Indonesian draft was unexceptionable, but the form and content would be outside our usual practice.

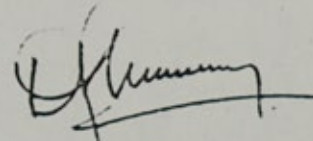
3. Accordingly, I summoned the Indonesian Minister yesterday afternoon to say that we now had to reconcile two differing philosophies: our normal preference for no communiqué, or at least a very short one, and the Indonesian normal preference for something long. I gave him a sanitised version of the Indonesian draft, ie with better English phraseology and containing acceptable statements cleared with Departments concerned, but by and large sticking to the Indonesian wording. I said I hoped this would be acceptable in Jakarta. I then gave the Private Secretary a draft letter to No 10 summarising the position reached.

4. The Private Secretary consulted Mr Alexander, who advised against reporting in the above sense and stressed that No 10 do not wish to issue a long Soviet-style communiqué. This would be creating a difficult precedent for the future.

/5.

- A 5. I summoned the Indonesian Minister again this morning to say that, as he already knew, we had informed No 10 of the position reached. I now had to tell him that we could not accept the lengthy Indonesian draft, or anything like it, and wished to stand firm on our original anodyne draft. Even this was an exception from our usual practice, though there were occasions when we had agreed. However, our view was that a long communiqué could set a difficult precedent for the future. It was also in our view unnecessary and inappropriate for a discussion between the Heads of two friendly governments. I added that there had been no agreed communiqué at all for Premier Hua's visit, even though his series of talks with the Prime Minister and other Ministers was very much longer than President Soeharto's single session with Mrs Thatcher; and even our draft Parliamentary statement (written PQ for answer to-day), which I let him see but not keep, was about one third of the length of what the Indonesians were now proposing. The Indonesian Minister said that there would be a press conference on 15 November. I said that what President Soeharto might say on that occasion was for him to decide, but so far as a joint statement was concerned, we could not go beyond our short draft.
- C 6. I then gave him a further version of our short statement: the last sentence redrafted according to DOT wishes.
7. SEAD and News Department will have to note that the first paragraph of this statement may need amendment according to which Ministers join the Prime Minister in No 10.

8 November 1979



D F Murray

## STATE VISIT BY PRESIDENT SOEHARTO: DRAFT PRESS STATEMENT

The Prime Minister, The Rt Hon Margaret Thatcher MP, this morning received at No 10 Downing Street President Soeharto of Indonesia. They were joined for talks by the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretary of State for Trade (Mr Nott), and the Minister of State for Defence (Lord Strathcona). President Soeharto was accompanied by the Foreign Minister, (Dr Mochtar Kusumaatmadja) the Minister for the Economy, (Dr Widjojo Nitisastro) and the State Secretary (Lieutenant-General Soedharmono).

The President and the Prime Minister discussed a number of international problems including the situation in South East Asia, with special reference to the problem of Cambodia, and the movement of refugees, whose arrival in ASEAN countries has placed a heavy burden on their economies. They agreed on the need for continued international action to resolve these problems.

They also discussed the world economic situation and confirmed the importance which they both attach to closer links between Indonesia and the United Kingdom, and between the European Community and the Association of South East Asian Nations. They expressed confidence that cooperation would continue to strengthen and develop and made a firm commitment to encourage and promote trade between the two countries.

RESTRICTED



**Foreign and Commonwealth Office**  
London SW1A 2AH

Telephone 01- 233 4613

Mr Michael Alexander  
The Prime Minister's Office  
No 10  
Downing Street

Your reference

Our reference TXV 408/305/1

Date 8 November 1979

*John Michael,*

PRESIDENT SOEHARTO'S STATE VISIT

We spoke and I have had a few words with SEAD about the provision of an FCO interpreter for the official talks at No 10 on Wednesday 14 November. We consider that we should have an interpreter available at No 10 for the following reasons:-

The one and three quarter hours programme, of tête à tête talks with the Prime Minister followed immediately by the official talks including Ministers, is a long time for one interpreter only. The Indonesian Embassy are uncertain as to whether Mr Widodo, the President's interpreter could cope by himself for the whole period. In the circumstance it appears sensible to have an FCO interpreter at least standing by, particularly as Mr Widodo suffers from back trouble for which he is to receive treatment in London during the Visit. It is also possible to argue that the interpreter employed by us will suit our convenience rather than that of the President.

Having said all that, the interpreter we have been able to contact is a Mr O Gandamihardja, an Indonesian, who is at present a BBC stringer, formerly a lecturer at the School of Oriental Studies here (highly recommended by them) and a part-time instructor at our Language Laboratory in Palace Chambers. He has interpreted successfully at recent ASEAN/EEC talks in Jakarta. He is security cleared, 45 years of age and personable.

Perhaps you would telephone your reply as time is now so short?

*John Michael,*  
*Leonard Pawley.*

L C Pawley  
Visits Section  
Protocol and Conference Dept

RESTRICTED

Foreign and Commonwealth Office  
London SW1A 2AH



Telephone 3-203 1113

RECEIVED  
11 FEB 1972  
1-8 NOV 1972

Your reference

Our reference

Date

Mr. [Name]

[Address]

[Address]

*[Handwritten signature]*

MINISTER OF STATE

The enclosed copy of the report of the Special Representative of the Secretary-General for the Middle East, dated 19 July 1971, is being forwarded to you for your information. The report is being forwarded to you for your information.

The report contains a detailed account of the progress of the peace process in the Middle East since the signing of the Disengagement Agreement between Israel and the PLO in September 1970. It also contains a list of the names of the members of the Special Representative's mission and a list of the names of the members of the PLO mission.

The report also contains a list of the names of the members of the Special Representative's mission and a list of the names of the members of the PLO mission. It also contains a list of the names of the members of the Special Representative's mission and a list of the names of the members of the PLO mission.

Yours faithfully,

*[Handwritten signature]*



Foreign and Commonwealth Office

London SW1A 2AH

5 November 1979

*Dear Michael,*

State Visit by President Soeharto: Call  
on the Prime Minister by the Indonesian  
Ambassador

The Ambassador will pay a courtesy call  
at 9.45 am on Wednesday, 7 November.

I enclose the following briefing:

- (a) Points to Make and Essential Facts:
- (b) Fact sheet on Indonesia:
- (c) Biography of the Ambassador:
- (d) Programme for the State Visit.

*Yours sincerely*

*Ray Pringle*

R E Pringle  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street

CALL ON THE PRIME MINISTER BY THE INDONESIAN AMBASSADOR AT 0945 AM  
ON WEDNESDAY, 7 NOVEMBER

POINTS TO MAKE

General

1. Greatly looking forward to the State Visit. Hope the President and his wife have an enjoyable time and that Anglo-Indonesian relations become even more cordial.
2. The Indonesian guests will be able to meet British people from many walks of life, and will be able to judge how much interest there is here, in Indonesia.
3. Several British Ministers have met their Indonesian counterparts; the State Visit will be an excellent opportunity to build on these contacts.
4. We have a high regard for Indonesia's role as an influential member of the Association of South-East Asian Nations(ASEAN) and in the Third World's councils.

State Visit Arrangement (If Raised by the Ambassador)

5. I shall meet the President for a tête-à-tête (with only one note-taker each and an interpreter present) at 11.15 am on Wednesday, 14 November; at noon we shall be joined by Ministers from both sides for a plenary session.

(Defensive)

6. Lord Carrington, Mr Nott and Mr Howell will pay calls on the President at Buckingham Palace. Calls by Indonesian Ministers on the Foreign and Commonwealth Office and Department of Trade are being arranged. These should give ample opportunity for bilateral contacts.



## ESSENTIAL FACTS

BACKGROUND

1. The Ambassador asked for this opportunity to call, in order to pay his respects. He has not previously met the Prime Minister. He may convey a message from President Soeharto, but the Indonesian Embassy do not expect him to raise substantive matters.

THE STATE VISIT

2. The Queen and The Duke of Edinburgh made a successful State Visit to Indonesia in March 1974; President Soeharto's visit in return is the first to Britain by any Indonesian Head of State. The President has never been here before, but he has made State Visits to the United States (twice) and to Belgium, France, Germany, and the Netherlands.

3. The President will arrive, from Geneva, on 13 November, and will make State Visits to Sri Lanka and Bangladesh after leaving on 16 November.

ANGLO-INDONESIAN RELATIONS

4. Relations are cordial but lack much substance (it is hoped that the State Visit can help remedy this). There is a degree of mutual regard and a similarity of outlook on many world problems.

5. Indonesia is strategically placed, at the junction of sea and air routes between Europe and the Far East. She is potentially powerful, and her influence in the Third World is for moderation. She sees herself as the future leader of the Association of South-East Asian Nations (ASEAN).

PREVIOUS VISITORS

6. Mr Cecil Parkinson, visited Indonesia in June. Mr Blaker was there in September, and was received by President Soeharto. These

early marks of attention from the new British Government were much appreciated.

7. Professor Mochtar, the Indonesian Foreign Minister had discussions with Mr Blaker when Mochtar was briefly in London in September, after attending the Havana non-aligned summit meeting.

## FACT SHEET ON INDONESIA

1. Area: 2,027,087 sq kms. There are over 13,000 islands spanning 3,000 miles - equivalent in distance to Dublin - Moscow. Java, where half the population lives, is about the size of England and Wales.

2. Population: 143 million (1977)

Current rate of growth of population about 2% per annum. Indonesia is the third most populous non-communist state.

3. Religion: Muslim 90%  
 Buddhist/Hindu 6%  
 Christian 4%

4. National Language: Bahasa Indonesia (a form of Malay). English is taught in secondary schools.

5. GNP Total: US\$40,610 million (1977)  
 Per capita: US\$284 (1977)

<u>Balance of Payments</u> (US\$ million):	<u>1977</u>	<u>1978</u>
Exports	10,763	10,998
Imports	7,478	8,309
Invisibles and transfers (net)	3,335	3,912
Capital account	1,100	1,406
<u>OVERALL BALANCE</u>	<u>+ 998</u>	<u>+ 99</u>

<u>International Reserves</u> (US\$ million):	<u>1977</u>	<u>1976</u>
Total	2,509	2,626
Months of imports covered	2.74	2.54

<u>Foreign Trade</u> (percentages):	<u>1973</u>	<u>1976</u>
-------------------------------------	-------------	-------------

Main Exports

Petroleum and petroleum products	50.1	70.3
Wood, lumber and cork	18.1	9.2
Rubber	12.2	6.2

Major Imports

	<u>1973</u>	<u>1976</u>
Manufactures	85.1	74.5
Foodstuffs	9.9	13.8
Oil	1.8	7.8

Main Export Markets

	<u>1973</u>	<u>1978</u>
Japan	53.2	41.2
USA	14.5	27.8
Singapore	10.6	6.7
FRG	3.7	2.4
(UK)	(1.0)	(0.5)

<u>Main Sources of Imports</u>	<u>1973</u>	<u>1978</u>
Japan	29.3	30.4
USA	18.8	11.7
FRG	7.2	8.0
Republic of China	-	4.9
Singapore	4.9	5.5
(UK)	(3.8)	(2.9)
<u>UK Trade with Indonesia</u>	<u>1973</u>	<u>1978</u>
Exports	£33 m	£84 m
Imports	£15 m	£33 m
Balance of trade in the UK's favour	£18 m	£51 m
Position in UK's Export League Table	51 (of 91)	61 (of 150)

HIS EXCELLENCY MR SALEH BASARAH

Indonesian Ambassador to London, since 11 April 1978.

Born 28 August 1928 in West Java.

Married; 3 daughters; 2 sons.

Trained as a pilot in California in 1950-51. After holding various operational commands, became Chief of Staff for Departmental Affairs of the Indonesian Ministry of Defence and Security, in December 1969.

In April 1973 became Chief of Staff of the Air Force.

Visited the Farnborough Air Show in November 1976.

After finishing his tour of duty in June 1977, became Chairman of Indonesia's only aircraft assembly company.

Although an Air Chief Marshal, Mr Saleh Basarah does not use his Air Force rank.

He is intelligent and able, with a reputation for integrity. He is very pro-British, partly because the RAF have let him fly a Hawk aircraft of the type that the Indonesians have bought from us.

Is believed to have the ear of President Soeharto. Sociable and outgoing, his interests include boxing and education.

A Muslim.

Quite good English.



*From the Secretary of State*

*La Indonesia*  
*Am*

R M J Lyne Esq  
Foreign and Commonwealth Office  
London, SW1

2<sup>nd</sup> November 1979

*Dear Rodrick,*

STATE VISIT OF PRESIDENT SOEHARTO: PRESS STATEMENT

Thank you for sending me a copy of your letter of 29 October to Michael Alexander.

We have no strong views, one way or the other, about whether a statement of this kind should be published. If a statement is to be published, however, future discussions with the Indonesians might be helped by a more positive reference to intentions to improve the modest bi-lateral trade between the two countries. This point could be met by amending the last sentence of your draft to read:

"The expressed confidence that co-operation would continue to strengthen and develop and made a firm commitment to encourage and promote trade between the two countries."

Copies of this letter go to Michael Alexander (No 10), Tony Battishill (Treasury), Brian Norbury (Defence) and Martin Vile (Cabinet Office).

*Yours Sincerely*  
*Hugh Bartlett*

H W BARTLETT  
Private Secretary

5 NOV 1979



FILE

VLC  
Indonesia

30 October 1979

State Visit of President Soeharto

The Prime Minister has seen the draft Press statement enclosed with your letter to me of 29 October on this subject. She is content.

M. O'D. B. ALEXANDER

R. M. J. Lyne, Esq.,  
Foreign and Commonwealth Office.

9B





Foreign and Commonwealth Office

London S.W.1

29 October 1979

810  
Dear Michael,  
Prime Minister  
This is completely anodyne. Agree? (1)

State Visit of President Soeharto: Press  
Statement

Yes of course

The Indonesians have several times raised with us the question of a communique at the end of President Soeharto's State Visit on 13-16 November. We have resisted this as contrary to our normal practice, but the Indonesians are insistent that there should at least be an agreed press statement to be issued after the discussions at No 10 Downing Street, arguing that the absence of such a statement, however anodyne, would be interpreted in Indonesia as implying at least a degree of failure of the visit. If we did not agree, they would wish to issue a statement of their own, though they would prefer to discuss and agree its text with us first.

There are precedents for such a statement, most recently the one issued on 13 June after President Moi of Kenya's talks with the Prime Minister that day. Lord Carrington therefore recommends that the Prime Minister should agree to the Indonesian request. I enclose a draft agreed statement which contains nothing with which we would have any difficulty and which, subject to the Prime Minister's views, we propose to give the Indonesians as a basis for discussion. I should be grateful to know whether the Prime Minister concurs.

I am copying this letter to Tony Battishill (HM Treasury), Stuart Hampson (Department of Trade), Brian Norbury (Ministry of Defence) and Martin Vile (Cabinet Office).

Yours ever

Roderic Lyne

R M J Lyne

M O'D B Alexander Esq  
10 Downing Street

Registry  
No.

DRAFT PRESS STATEMENT

Type 1 +

## SECURITY CLASSIFICATION

Top Secret,  
Secret.  
Confidential.  
Restricted.  
Unclassified.

To:-

From

Telephone No. Ext.

Department

## PRIVACY MARKING

..... In Confidence

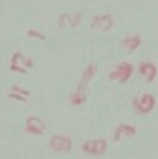
TALKS AT No 10 DOWNING STREET BETWEEN THE PRIME MINISTER AND  
PRESIDENT SOEHARTO OF INDONESIA.

The Prime Minister, the Rt Hon Margaret Thatcher MP, this morning received at No 10 Downing Street President Soeharto of Indonesia. They were joined for talks by the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, Minister of State for Trade (Mr Parkinson), and Minister of State for Defence (Lord Strathcona). President Soeharto was accompanied by the Foreign Minister, Dr Mochtar Kusumaatmadja, the Minister for the Economy, Dr Widjojo Nitisastro, and the State Secretary, Lieutenant-General Soedharmono.

The President and the Prime Minister discussed a number of international problems including the situation in South East Asia, with special reference to the problem of Cambodia, and the movement of refugees, whose arrival in ASEAN countries has placed a heavy burden on their economies. They agreed on the need for continued international action to resolve these problems.

They also discussed the world economic situation and confirmed the importance which they both attach to closer links between Indonesia and the United Kingdom, and between the European Community and the Association of South East Asian Nations. They expressed confidence that trade and co-operation between the two countries would continue to strengthen and develop.

29 OCT 1979





Indonesia

SECRETARY OF STATE FOR ENERGY  
THAMES HOUSE SOUTH  
MILLBANK LONDON SW1P 4QJ

01-211-6402

*L. V. Whit - 30/x*

R.M.J. Lyne, Esq.,  
Private Secretary to the Secretary of State  
for Foreign and Commonwealth Affairs,  
Foreign and Commonwealth Office,  
Downing Street,  
LONDON, SW1A 2AL.

29 October 1979

*Dear Roderic,*

STATE VISIT BY PRESIDENT SOEHARTO OF INDONESIA 13-16 NOVEMBER 1979

Thank you for your letter of 18 October conveying a request from Lord Carrington that Mr. Howell should agree to see President Soeharto at Buckingham Palace at 4.00 p.m. on 14 November, after luncheon at No.10 Downing Street to which Mr. Howell will be invited.

Indonesia is of course a member of OPEC. Apart from this, other energy developments there are of considerable interest and Mr. Howell will very much welcome the opportunity of a talk with President Soeharto.

I am copying this letter to Michael Alexander at No.10 Downing Street.

*Yours ever,*  
*Bill*

W.J. Burroughs  
Private Secretary

50 OCT 1979





cc HMT  
D/T  
NCO  
CO  
HO  
Kudonama

10 DOWNING STREET

*From the Private Secretary*

22 October 1979

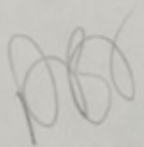
State Visit by President Soeharto

The Prime Minister has seen your letter to me of 18 October on this subject. The Prime Minister agrees with the Foreign and Commonwealth Secretary's proposals both for the agenda for her meeting with President Soeharto and for the list of Ministers who should attend on our side.

I am copying this letter to Tony Battishill (H.M. Treasury), Stuart Hampson (Department of Trade), Brian Norbury (Ministry of Defence) and Martin Vile (Cabinet Office).

M. O'D. B. ALEXANDER

R.M.J. Lyne, Esq.,  
Foreign and Commonwealth Office.





*Prime Minister*  
*Not, I fear, a v. exciting*  
*subject. Agree attendance*  
*list at A (over page)?*

Foreign and Commonwealth Office

London SW1A 2AH

18 October 1979

Dear Michael,

*Print*  
*- 15/10*

*M.J.*

State Visit by President Soeharto

In my letter of 27 September I said that we would write again about arrangements for the talks at 10 Downing Street and for the lunch.

The President will be accompanied to the United Kingdom by the Foreign Minister (Professor Mochtar), the Minister for the Economy (Dr Widjojo) and the State Secretary (Mr Soedharmono).

The Indonesian Embassy have indicated that the topics which the President is likely to raise will include the need for a 'new international economic order', and British aid policy. On the first, the Indonesians are likely to complain of 'Western protectionism'; although they themselves have few serious difficulties over this, they are likely to reflect ASEAN solidarity and argue the case mainly on behalf of Singapore.

On aid policy, the Indonesians are likely to be looking for an increase in our relatively modest aid - or at least to seek to avert cuts which they may suspect are under consideration. The President may also press for more British investment in Indonesia.

From our point of view the talks will provide a useful opportunity to explain to the leader of a moderate founder-member of the Non-Aligned Movement the Government's views on Rhodesia and on East-West relations; and to discuss the Sino/Soviet dispute as it affects South-East Asia, Indo-China, EEC/ASEAN relations, and Brunei (the Indonesians are concerned in case instability should follow our withdrawal in 1983 from our present responsibilities for Brunei's foreign affairs and defence).

The President will receive a separate call by Lord Carrington. I am writing to the Private Secretaries to Mr Nott and Mr Howell about calls by their Ministers on the President.

Against this background, Lord Carrington recommends that plenary talks should be attended by:-

- A.
- from the FCO: himself (or if there are conflicting engagements, the Lord Privy Seal) and Mr Blaker
  - from the Treasury: the Chancellor of the Exchequer (or another Treasury Minister: I understand that Sir G Howe may have a conflicting engagement)

CONFIDENTIAL



- from the Ministry of Defence: Lord Strathcona (Mr Pym is likely to be abroad)
  
- a Trade Minister: (Mr Nott, who will be seeing the President later, or Mr Parkinson.)

The proposed guest list for the luncheon at 10 Downing Street is being sent separately. The Indonesians are content that there should be no speeches but only toasts by the Prime Minister (to The Queen and the President) and a toast in reply by the President.

I am copying this letter to Tony Battishill (Treasury), Stuart Hampson (Dept of Trade), Brian Norbury (Ministry of Defence) and Martin Vile (Cabinet Office).

*yours etc*  
*Roderic Lyne*

(R M J Lyne)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street  
LONDON

CONFIDENTIAL



18 OCT 1953

11 12 1  
0 9 6  
L 8 9  
4 5 6  
MAY 1

*Indonesia*



Foreign and Commonwealth Office

London SW1A 2AH

18 October 1979

*Dear Stuart,*

State Visit by President Soeharto of Indonesia: 13-16 November 1979

You will know that President Soeharto of Indonesia is to pay a State Visit here from 13-16 November. He will have tete-a-tete discussions at No 10 Downing Street at 11.15 am on Wednesday 14 November, followed by plenary discussions attended by British and Indonesian Ministers.

The President will be accompanied by his Foreign Minister, Economic Minister, and State Secretary.

President Soeharto has requested a separate meeting with Mr Nott, which could take place at Buckingham Palace at 3.00 pm on 14 November after the luncheon at No 10 Downing Street, to which Mr Nott will be invited. We understand that Mr Nott would be free at this time, and Lord Carrington hopes that he can agree to pay the call on the President as requested. Lord Carrington will himself call on President Soeharto. Mr Howell has also been invited to do so.

I am copying this letter to Michael Alexander at No 10 Downing Street.

*Yours ever*  
*Roderic Lyne*

R M J Lyne  
Private Secretary

Stuart Hampson Esq  
Private Secretary to the Secretary  
of State for Trade  
1 Victoria Street  
London SW1



Foreign and Commonwealth Office

London SW1A 2AH

18 October 1979

*Dear Bill,*

State Visit by President Soeharto of Indonesia  
13-16 November 1979

You will know that President Soeharto of Indonesia is to pay a State Visit here from 13-16 November. He will have tete-a-tete discussions at No 10 Downing Street at 11.15 am on Wednesday 14 November, followed by plenary discussions attended by British and Indonesian Ministers.

The President will be accompanied by his Foreign Minister, Economic Minister, and State Secretary.

President Soeharto has requested a separate meeting with Mr Howell. This could take place at Buckingham Palace at 4.00 pm on 14 November after luncheon at No 10 Downing Street to which Mr Howell will be invited. We understand that Mr Howell would be free at this time, and Lord Carrington hopes that he can agree to pay the call as requested. Lord Carrington will himself call on President Soeharto. Mr Nott has also been invited to do so.

I am copying this letter to Michael Alexander, at No 10 Downing Street.

*Yours ever*

*Rodent Lyne*

R M J Lyne  
Private Secretary

Dr W J Burroughs  
Private Secretary to the Secretary  
of State for Energy  
Thames House South  
Millbank  
London SW1



Tur  
Indonesia

10 DOWNING STREET

*From the Private Secretary*

8 October 1979

VISIT OF PRESIDENT SOEHARTO

You wrote to me on 4 October about the timing of President Soeharto's talks at No. 10. There will be no difficulty about timing the talks for 11.15 a.m.

M. O'D. B. ALEXANDER

R.M.J. Lyne, Esq.,  
Foreign and Commonwealth Office.

SB



10 DOWNING STREET

Mr. Alexander

Have changed  
the day to 11.15  
but have not  
replied to his  
letter.

EJ.

5/10.



Foreign and Commonwealth Office

London SW1A 2AH

4 October 1979

*Dear Michael,*

VISIT BY PRESIDENT SOEHARTO

Thank you for your letter of <sup>28</sup>28 September conveying the Prime Minister's agreement to the proposals in my letter of 27 September.

The Lord Chamberlain's Department have advised that the President's earlier commitments on 14 November will mean that he could not reach No 10 at 11 o'clock. Could we leave it, therefore, that talks should begin at 11.15 am as suggested in my previous letter?

*yours ever*  
*Roderic Lyne*

(R M J Lyne)

M O'D B Alexander Esq  
10 Downing Street

4 OCT 1979



file

JS



10 DOWNING STREET

*From the Private Secretary*

28 September 1979

I am writing on behalf of the Prime Minister to thank you for your letter of 26 September. The Prime Minister will be glad to be present at the arrival of the President of the Republic of Indonesia at Victoria Station on Tuesday 13 November. She will be proceeding to Victoria from 10 Downing Street.

**N. J. SANDERS**

Lieutenant-Colonel Sir Eric Penn, K.C.V.O.,  
O.B.E., M.C.

TMC



Indonesia

28 September 1979

Visit by President Soeharto

The Prime Minister has seen your letter to me of 27 September about the changes proposed by the Indonesian side in the timetable for President Soeharto's visit to Downing Street.

The Prime Minister is content with the revised arrangements and would be prepared to start the tête-à-tête at 1100 a.m.

MICHAEL ALEXANDER

R.M.J. Lyne, Esq.,  
Foreign and Commonwealth Office.

TCR



Prime Minister.

X is, I think, clearly  
preferable to Y. Agree?

Foreign and Commonwealth Office

London SW1A 2AH

Yes - can we  
advance it to  
11 a.m. ? *RMJ* 27/9

27 September 1979

Dear Nicholas, *RMJ*

STATE VISIT BY PRESIDENT SOEHARTO OF INDONESIA

Y In your letter of 10 September you recorded the Prime Minister's agreement to give a lunch for President Soeharto on Wednesday 14 November, to be preceded by a tete-tete discussion beginning at 12.15 pm, and followed by plenary talks from 1430 to 1600.

X As you know from recent telephone calls, the Indonesian side have expressed a strong preference for advancing the time at which talks begin and concluding them before lunch. You indicated that a start at 11.15 am might be possible, subject to the Prime Minister's agreement, and that the plenary session should be scheduled to begin around 1200, followed by lunch at 1.00 pm for 1.15 pm. We would then arrange the President's next appointment at Buckingham Palace for 1500.

This adjustment of the programme would have the advantage of taking up less of the Prime Minister's time, while meeting the preferences of the Indonesians. As I told you, the Indonesians are concerned that 45 minutes may not be long enough for the tete-a-tete discussion, in view of the need for interpretation. We consider that three quarters of an hour should allow enough time to cover the likely subjects; but if necessary the start of the plenary discussions might be allowed to slip by a few minutes.

I hope therefore that we can be authorised to tell the Indonesians that the new timetable is acceptable, before their 'survey party' return to Jakarta on 28 September.

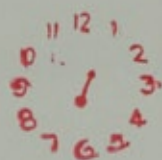
I shall be writing separately about attendance for the plenary session and arrangements for the lunch.

*Yours ever*  
*Rodric Lyne*

(R M J Lyne)

M O'D B Alexander Esq  
10 Downing Street

27 SEP 1979





R 279 PS

1  
PRIME MINISTER

You are free at the time in

LORD CHAMBERLAIN'S OFFICE, question. 1

ST JAMES'S PALACE, S.W. 1.

will accept on your behalf.

26th September, 1979

MS  
21/9

My dear Prime Minister,

MTI

State Visit of

The President of the Republic of Indonesia

and Madame Tien Soeharto

Arrival - Tuesday, 13th November, 1979

I have the honour to inform you that The Queen and The Duke of Edinburgh will meet The President of the Republic of Indonesia and Madame Tien Soeharto upon their Arrival at Victoria Station at 12.30 p.m. on Tuesday, 13th November next.

The Queen wishes you, as Prime Minister, to be present on this occasion and to arrive at Victoria Station, Hudson's Place, by not later than 12.10 p.m.

Day Dress with a Hat will be worn.

I should be grateful if I may please be provided with the address from which you will go to Victoria Station in order that a route and windscreen label may be provided to facilitate your arrival.

Yours sincerely

The Rt. Hon. Margaret Thatcher, MP.,  
10 Downing Street,  
London.  
SW1

CONFIDENTIAL

BSG

Indonesia



Fue

10 DOWNING STREET

From the Private Secretary

10 September 1979

1) B/F 18 2-10-79  
Guest list  
2) B/F 9-11-79  
briefs

Dear Roden,

STATE VISIT BY PRESIDENT SUHARTO OF INDONESIA

Your letter to me of 6 September contained various suggestions relating to the Prime Minister's participation in President Suharto's State Visit to the United Kingdom in November.

To take the points in your letter in the order in which you listed them:-

- (a) The Prime Minister will give a lunch for President Suharto on behalf of HMG on Wednesday 14 November. The lunch should be for about 66 guests;
- (b) The lunch will be preceded by a tete-a-tete discussion beginning at 1215; and will be followed by plenary talks from 1430-1600;
- (c) The Prime Minister will not attend the Lord Mayor's Banquet but will attend the Banquet at Buckingham Palace on Tuesday 13 November.

I should be grateful if a draft guest list for the lunch could reach me by close of play on Friday 12 October and if briefs could be here by 1700 on Friday 9 November.

M. O'D. B. ALEXANDER

R. M. J. Lyne, Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL



10 DOWNING STREET

Prime Minister.

Subarto State Visit.

President Subarto will be in this country from 13-16 November. It would be usual for you to take on the commitments at A, B, C & D in the attached letter.

The like-a-let (B) might begin at 12.15 rather than 12.00 & last for 80 minutes.

It would be usual to ~~have~~ ~~more~~ ~~than~~ ~~72~~ ~~invitations~~ ~~is~~ ~~the~~ ~~maximum~~ ~~no.~~ ~~of~~ ~~invitations~~ ~~ie.~~ ~~72~~ ~~for~~ ~~an~~ ~~occasion~~ ~~of~~ ~~this~~ ~~kind~~.

Do you agree?

72 in a bit light - Phy 7/5  
in the dining room. Try 66 per



Foreign and Commonwealth Office

London SW1A 2AH

①

6 September 1979

Dear Michael,

## STATE VISIT BY PRESIDENT SUHARTO OF INDONESIA

In his letter of 16 July Bryan Cartledge conveyed the Prime Minister's agreement for the Palace to be advised to invite President Suharto to pay a State Visit here in November. The invitation was duly extended and has been accepted by the President and Madame Suharto.

Our intention in inviting the President was to demonstrate our interest in Indonesia, the fifth most populous country in the world and potentially the most important member of ASEAN, which is a major factor for stability in South-East Asia. There are a number of points in Anglo-Indonesian relations which it would be useful to discuss with President Suharto, including the prospects for increasing our trade. There is substantial British investment in Indonesia; exports last year were over £80 million; there is potential for these to increase (Indonesia is the world's 12th largest oil producer). The President would certainly be interested in British views on the political prospects for South-East Asia, and may wish to discuss the refugee problem (on which Indonesia has followed a generally humane policy).

A. Arrangements are being co-ordinated by the Lord Chamberlain's Office, who have enquired whether, as is usual in such cases, the programme might include luncheon by the Prime Minister on behalf of Her Majesty's Government, on Wednesday, 14 November (at 12.45 pm for 1.00 pm).

B. This could be preceded by a tete a tete discussion between the Prime Minister and the President, at 12.30 pm and could be followed by plenary talks between the two delegations at No 10 Downing Street at 2.30-4.00 pm.

C. Lord Carrington understands that the Prime Minister may be free on 14 November; he hopes that she can agree to these arrangements. He himself would be very pleased to attend the luncheon, if this is the Prime Minister's wish, and also the plenary talks.

/If the

M O'D B Alexander Esq  
10 Downing Street  
London SW1



If the Prime Minister agrees to be host at the luncheon, the Lord Chamberlain's Office have enquired how many guests the Prime Minister would wish to invite. They would also be glad to learn whether the Prime Minister would wish to attend the Lord Mayor's banquet for the State guests on the evening of 14 November. The pattern on past State Visits has been for the Prime Minister not to attend this function, but instead to attend the banquet at Buckingham Palace (as well as giving a luncheon at No 10 Downing Street). Lord Carrington does not propose to go to the Guildhall, but the Lord Mayor is likely to invite other Ministers.

I am copying this letter to Martin Vile (Cabinet Office).

*yours ever*  
*Roderic Lyne*

(R M J Lyne)

*Thursday  
13 Nov.*

*NP  
D.*



CONFIDENTIAL



Free

Indonesian  
JSG

10 DOWNING STREET

From the Private Secretary

16 July 1979

POSSIBLE STATE VISIT BY PRESIDENT SUHARTO OF INDONESIA

Thank you for your letter of 13 July, in which you explained why it would be difficult to postpone, until after the United Nations Conference on Refugees, a decision on a possible invitation to President Suharto to pay a State Visit to the United Kingdom in November.

The Prime Minister has seen your letter and, in view of the factors to which it draws attention, agrees that the Foreign and Commonwealth Secretary should now advise the Palace to extend forthwith an invitation to President Suharto to visit the UK in November.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

B. G. CARTLEDGE

KR

J. S. Wall, Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL



Prime Minister

Foreign and Commonwealth Office

Gives his background, London SW1A 2AH

Do you agree that Lord 13 July 1979

Carvington may now advise  
in favour of this State Visit?

Jan Bryan,

Yes or no

BM  
13/7

Possible State Visit by President Suharto of Indonesia

Thank you for your letter of 28 June, in which you asked whether the invitation to President Suharto could be deferred until after the UN Special Conference later this month, so that Indonesia's reaction to the possible wish of the UN to purchase from her an island which would be used as a staging post for Vietnamese refugees could be taken into account.

We have consulted our Ambassador in Jakarta about the possible purchase of an Indonesian island, in addition to the processing centre for 10,000 refugees that Indonesia has already agreed can be set up on Galang Island. Mr O'Brien advised that the Indonesian authorities would react strongly against the idea (he has subsequently reported that the Indonesian Foreign Minister has denied American reports of Indonesia's agreement to the suggestion). In the Indonesian view, the Galang proposals had already contributed to the accelerated outflow of refugees from Vietnam, and proposals for an island with a capacity of up to 200,000 would prompt an even faster rate. Moreover, the Indonesians would not welcome the prospect of so large a concentration of Indo-Chinese in their midst for whom no permanent resettlement elsewhere might ever be arranged. Security considerations, Mr O'Brien said, were uppermost in Indonesian minds at present.

For these reasons the Indonesians seem unlikely to agree to any expansion of the limited facilities they are already providing on Galang. (The Prime Minister may have noticed a report in the Observer of 8 July which suggested that the Americans were prepared to allow Guam to be used.)

The Conference in Geneva on 20-21 July will certainly address the need for large-scale processing centres. But Indonesia's objections to the use of her territory are not unreasonable and are very similar to those of Malaysia and other countries in the region who face the prospect of accommodating large numbers of refugees. Indonesia's behaviour towards the refugees, despite strong statements by her Defence Minister and the 47,000 refugees she now claims to have, has been described by UNHCR as surprisingly good. The Foreign Minister has told our Ambassador that Indonesia will not tow landed refugees out to sea.

/In

Bryan Cartledge Esq  
10 Downing Street



In a wider context it should be recalled that the Indonesians have been owed a return visit since 1974, when The Queen made a State Visit to Indonesia, and are aware of the possibility that an invitation may be extended soon.

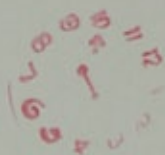
In these circumstances, and given the political and economic reasons for inviting President Suharto set out in my letter of 13 June, Lord Carrington doubts whether it would be justifiable to make an invitation dependent on Indonesian reactions at the UN meeting.

There is also a time factor to be borne in mind. We have asked our Ambassador in Jakarta what would be the latest date on which an invitation for November 1979 could be issued with any chance of the President's being able to accept; he considers that mid-July would be the latest possible time. The UN conference has now, as you know, been convened for 20-21 July. Lord Carrington therefore recommends that the Prime Minister agree that the proposal to invite President Suharto in November be put to Buckingham Palace.

I am copying this letter to Martin Vile, Cabinet Office.

*Jon even*  
*Stephen*

J S Wall  
Private Secretary



13 JUL 1979



10 DOWNING STREET

From the Private Secretary

*6/F 9.7.79*

28 June 1979

*Dear Sir,*

Possible State Visit by President Suharto of Indonesia

Thank you for your letter of 19 June in which you conveyed the Foreign and Commonwealth Secretary's recommendation that the Palace should be advised that President Suharto of Indonesia should be invited to pay a State Visit to the UK from 13-16 November this year.

The Prime Minister has seen your letter and has noted the background to Lord Carrington's recommendation. The Prime Minister has asked, however, whether it is essential to go ahead with this invitation to President Suharto before the UN Conference on refugees which we hope will take place next month and before we know how the Indonesian Government is likely to respond to the possible wish of the UN to purchase from them an island which could be used as a staging post for Vietnamese refugees. President Suharto could be invited to make the State Visit, or not, in the light of developments on these fronts. I should be grateful for further advice.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

*Yours ever,  
J. S. Wall*

J.S. Wall, Esq.,  
Foreign and Commonwealth Office.

1

PRIME MINISTER

Possible State Visit by President Suharto of  
Indonesia

The FCO letter below conveys Lord Carrington's recommendation that the Palace should be advised to invite President Suharto to pay a **State Visit** from 13-16 November this year.

The timing is far from ideal. The visit will involve you in two state banquets and a No. 10 dinner, as well as talks, during a period of considerable Parliamentary activity (including the Rhodesia Sanctions Order). Moreover, President Tolbert of Liberia will be paying an official visit in the same month, but I have told the FCO that it must not be too close to President Suharto's. On balance, however, since this slot for a **State Visit** exists and is bound to be given to somebody, I think it would be difficult not to accept Lord Carrington's recommendation. Are you content that the Palace should be advised as he suggests?

25 June 1979

*of the*  
Do we have to - check  
of the - between -  
conference. (1) they would be  
in by - island - then -  
(U.N.) D.T.



Foreign and Commonwealth Office

London SW1A 2AH

Dear Bryan,

19 June 1979

Possible State Visit by President Suharto of Indonesia

President Suharto was invited to pay a State Visit to this country in 1976, in return for The Queen's visit to Indonesia in 1974. He declined the invitation but has recently shown renewed interest in coming here. His Foreign Minister, Dr Mochtar Kusumaatmadja, raised the matter in November 1978 when he himself was an official visitor.

The Royal Visits Committee has decided that agreement may now be sought for a State Visit by President Suharto from 13-16 November 1979. The Foreign and Commonwealth Secretary supports the proposal and I am writing to seek agreement that it should be put to Buckingham Palace. Our Ambassador in Jakarta has advised that an offer of an invitation, if it is to have a reasonable chance of being accepted, should be made as early as possible in June.

Indonesia is by far the biggest and potentially the most important member of the Association of South East Asian Nations (ASEAN), which is an important factor for stability in South East Asia. Economically, Indonesia has considerable natural resources and is the ninth largest oil producer in OPEC. However the economy is relatively undeveloped and, with a large population (123 million in 1976), national income per head is low. Our exports in 1978 were worth only £84 million, 0.2% of total exports. Imports were worth £33 million. But there is very worthwhile scope for improvement in our market share, and since the public sector of the economy is large, increased official goodwill will pay dividends in this direction.

Politically, Indonesia's influence in ASEAN is helpful and President Suharto himself has a firm grip on all aspects of Indonesian policy. Personal contact with him is therefore particularly important in inter-governmental relations. An invitation to him to make a State Visit should thus yield benefits, not only commercially but also in our ability to influence Indonesia and, through her, ASEAN.

President Suharto has made State Visits to Japan (1968) and France (1972), and an official visit to the United States (1970). In recent years he has concentrated on developing relations with neighbouring countries in South East Asia and with the Arab world. We might expect to acquire particular merit with the Indonesians by granting him the invitation to come here, in which we know he is interested.

/We believe

B G Cartledge Esq  
10 Downing Street



We believe that one reason why President Suharto declined to come here in 1977 may have been that he anticipated hostile demonstrations in this country, where his Administration was criticised for continuing to hold thousands of political detainees without trial. Many of the detainees had been held since 1965 and were arrested following the attempted pro-communist coup d'etat in that year.

But the Indonesians have been releasing the detainees in batches, under their present policy of allowing all of them to go free (who cannot be tried) by the end of 1979. We believe that their intention is to live up to this undertaking although, in the event, it may not be possible for them to do so. Nearly 34,000 have been freed since 1976. By November fewer than 6,000 should remain in detention and by the end of 1979 only 1,500 or less. There is at present little interest here in Indonesian internal affairs, and it is unlikely that the small pressure groups who care about such matters would be able to mount a demonstration against him of a size to prejudice the success of the visit. If there were any criticism of the invitation on this score it could be met by reference to the great progress the Indonesians have made and are continuing to make in improving their judicial processes. Few countries in Asia or Africa are entirely blameless in this regard.

If we were to wait until 1980 before extending the invitation the position could be less sure if, as must be possible, the Indonesians cannot see their way clear to releasing the "hard core" of the detainees.

I am copying this letter to Martin Vile in the Cabinet Office.

*Yours ever,  
Stephen*

(J S Wall)





19 JUN 1979

END

Filmed at the National  
Archives (TNA) in London

February 2010