



Prime Minister

Foreign and Commonwealth Office

Gives this 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 and

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

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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.

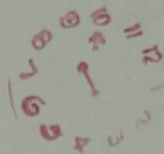
In these circumstances, and given the political and economic reasons for inviting President Suharto set out in my letter of 13 June, Lord Carrington doubts whether it would be justifiable to make an invitation dependent on Indonesian reactions at the UN meeting.

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



6/13 JUL 1979