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FM JAKARTA 160642Z APR 85

TO IMMEDIATE FCO

TEL NO 191 OF 16 APRIL

RPTD FOR INFO TO PRIORITY KUALA LUMPUR, SINGAPORE AND BRUNEI.

1. SUMMARY.

THE PRIME MINISTER'S VISIT TO INDONESIA FROM 9-11 APRIL WAS AN OUTSTANDING SUCCESS. SHE WAS GIVEN IN EFFECT THE TREATMENT ACCORDED TO A VISITING HEAD OF STATE AND THERE WERE MANY INDICATIONS THAT TO THIS HAD BEEN ADDED EXTRA WARMTH AND PERSONAL ATTENTION TO MARK THE HISTORIC SIGNIFICANCE OF THE FIRST VISIT EVER PAID BY A BRITISH PRIME MINISTER TO INDONESIA.

2. DETAIL.

OUR MAIN OBJECTIVE WAS TO IMPRESS ON THE INDONESIAN LEADERSHIP THAT BRITAIN TAKES INDONESIA SERIOUSLY AND WISHES TO COOPERATE IN EVERY FIELD TO OUR MUTUAL BENEFIT. AN IMPORTANT ELEMENT WAS TO DEVELOP BETWEEN THE PRIME MINISTER AND PRESIDENT SOEHARTO A GOOD PERSONAL RELATIONSHIP. FROM THE STYLE OF THE LOCAL PRESS COVERAGE AND FROM MY OWN OBSERVATION, I HAVE NO DOUBT THAT THIS PERSONAL RAPPORT WAS FIRMLY ESTABLISHED.

3. THE RELATIVE BREVITY OF THE VISIT AND THE DEMANDS OF STATE PROTOCOL (COURTESY CALLS, WREATH LAYING, THE PLANTING OF A BANYAN TREE) MEANT THAT ONLY JAKARTA AND BANDUNG (20 MINUTES FLIGHT AWAY) COULD BE INCLUDED IN THE PROGRAMME. BUT THOUGH IT ADDED TO THE PRESSURE OF THE PROGRAMME THE BANDUNG TRIP WAS IMPORTANT AND WELL WORTHWHILE.

INTEREST IN SEEING MRS THATCHER WAS INTENSE. SO MANY GUESTS ACCEPTED THE INVITATION TO THE STATE BANQUET THAT UNPRECEDENTEDLY EXTRA SEATING HAD TO BE PROVIDED.

IN HIS SPEECH AT THE BANQUET THE PRESIDENT PAID A GLOWING TRIBUTE TO MRS THATCHER'S PERSONAL QUALITIES OF LEADERSHIP AND HER ACHIEVEMENTS IN THE INTERNATIONAL ECONOMIC FIELD, ESPECIALLY IN CURBING INFLATION AND DEFENDING AN OPEN GLOBAL TRADING SYSTEM. HE THANKED BRITAIN FOR THE ASSISTANCE PROVIDED IN A NUMBER OF MAJOR PROJECTS. HIS GENERAL THEME WAS MUTUAL UNDERSTANDING, TRUST AND COOPERATION TO BUILD A BETTER MORE PEACEFUL, MORE PROSPEROUS AND INTER-DEPENDENT WORLD. IN HER REPLY, MRS THATCHER PRAISED INDONESIA'S ACHIEVEMENTS, COMMENDED BRITAIN'S PRESENT STRENGTH AND CONFIDENCE, STRESSING THE MESSAGE THAT BRITAIN WISHED TO WORK MORE CLOSELY WITH INDONESIA IN EVERY FIELD AND TO INVEST IN INDONESIA'S FUTURE. THE PRIME MINISTER'S SPEECH WON TOTAL APPROVAL FROM HER INDONESIAN AUDIENCE AND I HAVE HAD MANY COMMENTS SINCE HER DEPARTURE TO THE EFFECT THAT SHE HAD JUDGED THE SPEECH EXACTLY RIGHT. I AM REPORTING IN A SEPARATE TELEGRAM THE TALKS WITH THE PRESIDENT AND THE TEN ECONOMIC MINISTERS WHO HAD A WORKING LUNCH WITH MRS THATCHER.

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4. AS SHE WAS TO MAKE CLEAR AT HER SUBSEQUENT PRESS CONFERENCE THE PRIME MINISTER WAS VERY STRUCK BY HER HOUR'S VISIT TO THE BRITISH COUNCIL ON 10 APRIL. THE BRIEFING BY THE DIRECTOR OF THE BRITISH COUNCIL AND THE MEETING WITH BOTH BRITISH TCO'S AND VSO'S AS WELL AS INDONESIANS WHO HAD RETURNED AFTER STUDY IN BRITAIN WERE EXCELLENTLY ORGANISED.

5. A TORRENTIAL TROPICAL STORM MADE THE ARRIVAL AT MY RECEPTION ON 10 APRIL FOR THE BRITISH COMMUNITY HAZARDOUS BOTH FOR THE PRIME MINISTER'S PARTY AND THE GUESTS. BUT HER IMPROMPTU WORDS WERE RAPTUROUSLY WELCOMED AND SHE WAS ABLE TO MEET AND TALK TO A REMARKABLE NUMBER OF BRITISH AND INDONESIANS ALIKE. FROM SUBSEQUENT REACTIONS FROM THE BRITISH COMMUNITY GENERALLY, MRS THATCHER SEEMS TO HAVE PUT NEW HEART INTO ALL THE BRITISH WHO DO BUSINESS HERE.

6. THE WELCOME GIVEN TO THE PRIME MINISTER AT BANDUNG ON 11 APRIL WAS SPECTACULAR AND UNEXPECTEDLY HEARTWARMING. THE THREE AND A HALF KILOMETRES OF ROAD FROM THE AIRPORT TO THE INSTITUTE OF TECHNOLOGY WERE LINED ON BOTH SIDES BY THOUSANDS (PERHAPS TENS OF THOUSANDS) OF CHILDREN WAVING UNION JACKS AND INDONESIAN FLAGS. AT THE CAMPUS WHERE THE PRIME MINISTER HAD A BRIEF EXCHANGE ON SCIENTIFIC SUBJECTS WITH THE ACADEMIC STAFF BEFORE VISITING THE CHEMICAL LABORATORIES, SEVERAL THOUSANDS OF YOUNG MEN AND WOMEN TURNED UP TO GREET HER. 'MAGGIE, WELCOME TO THE DYNAMIC CAMPUS' CARRIED AS A SLOGAN BY THE STUDENTS ILLUSTRATED THE PLEASURE THEY SHOWED. AS THE PRIME MINISTER COMMENTED HERSELF AT HER FINAL PRESS CONFERENCE THE WELCOME AT BANDUNG WAS 'UNFORGETTABLE'. THE VISIT TO DR HABIBIE'S AIRCRAFT COMPLEX, NURTANJO, BEGAN WITH AN IMPRESSIVE AERIAL DISPLAY BY HELICOPTERS AND AIRCRAFT CONSTRUCTED AT THE WORKS. MOST INTERESTINGLY, THE CN 235 WHICH HAS HAD SOME TEETHING PROBLEMS IN THE PAST ROARED PAST SEVERAL TIMES SKIMMING THE RUNWAY. AT HER SPEECH AT DR HABIBIE'S LUNCH, MRS THATCHER AGAIN REMINDED HER AUDIENCE OF WHAT BRITAIN HAD TO OFFER IN THE FIELD OF TECHNOLOGICAL COLLABORATION. SHE ALSO AGREED IN PRIVATE DISCUSSION WITH DR HABIBIE THAT SHE WOULD HOPE TO SIGN A SCIENCE AND TECHNOLOGY AGREEMENT WHEN DR HABIBIE COMES TO LONDON IN JUNE. HER REFERENCES TO THIS IN THE PRESS CONFERENCE WERE FOR OBVIOUS REASONS RATHER VEILED.

7. THERE WAS WIDESPREAD PRESS AND TELEVISION COVERAGE BOTH WELL IN ADVANCE AND NOT JUST DURING THE VISIT ITSELF BUT THROUGHOUT THE TOUR. ALL OF IT WAS COMPLIMENTARY AND MUCH OF IT WAS FRONT PAGE. ALL THE MATERIAL WHICH WAS PROVIDED BY THE BRITISH EMBASSY WAS USED. EDITORIALS WERE EFFUSIVE. THE FINAL PRESS CONFERENCE, AFTER WHICH THERE WERE A WEALTH OF ADMIRING COMMENT ON HER OPENING STATEMENT, TOOK UP AT LEAST HALF OF THE ENGLISH EDITION OF THE EVENING TV NEWS AND WAS COVERED EQUALLY SUBSTANTIALLY IN THE VENACULAR VERSION. THE FAVOURABLE IMPRESSION WAS ENHANCED BY THE FACT THAT, UNLIKE RECENT TOP LEVEL VISITORS, MRS THATCHER ACCORDED FAR MORE ATTENTION TO THE LOCAL INDONESIAN PRESS REPRESENTATIVES.

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8. MR DENNIS THATCHER HAD A MOST SUCCESSFUL MORNING ON 10 APRIL VISITING THREE BRITISH FIRMS WITH JOINT VENTURES IN JAKARTA AND HAVING LUNCH WITH THE LOCAL INDONESIAN BRITISH ASSOCIATION. HE IMPRESSED THOSE HE MET WITH HIS PERSONALITY AND THE SHREWDNESS OF HIS QUESTIONS. THE WREATH LAYING AT THE BRITISH CEMETERY WAS WELL ATTENDED BY MEMBERS OF THE BRITISH COMMUNITY AND MUCH APPRECIATED.

9. IN SUM, THE BRIDGEHEAD WON BY THE PRIME MINISTER SHOULD NOW HELP BRITISH FIRMS SUCCEED HERE BOTH COMMERCIALY AND IN INVESTMENT PROJECTS. THE VISIT SHOULD ALSO FOCUS THE MINDS OF THE INDONESIANS ON THE POSSIBILITIES OFFERED IN THE UK FOR TRAINING AND THE TRANSFER OF TECHNOLOGY AS OPPOSED TO THOSE ALREADY KNOWN TO BE ON OFFER FROM JAPAN, THE USA AND OUR MAIN TRADING RIVALS.

THE PRIME MINISTER ACKNOWLEDGED PUBLICLY THAT WE HAVE NEGLECTED INDONESIA IN RECENT YEARS. HER VISIT GAVE A NEW MOMENTUM TO THE DEEPENING OF OUR POLITICAL AND ECONOMIC RELATIONS AND WAS ALTOGETHER FIRST CLASS PUBLICITY FOR BRITAIN.

DONALD

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PRIME MINISTER'S VISIT TO ASIA

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PS/MR LUCE

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